

GOOD BY DESIGN

Impact Report 2020

WILLIAMS-SONOMA, INC.

WILLIAMS SONOMA | WILLIAMS SONOMA HOME | POTTERY BARN | POTTERY BARN KIDS | POTTERY BARN TEEN | WEST ELM | MARK & GRAHAM | REJUVENATION



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Introduction

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Over the past ten years, we've set and met ambitious commitments to responsible materials, fair labor and diverse teams. Going into the next decade, we're setting clear targets to lower our emissions in line with climate science while deepening our social and environmental work.



A LETTER FROM OUR CEO

In 2020, global pandemic lockdowns re-centered the importance of home in people's lives, and a growing number turned to our trusted brands for a broader range of responsibly-made home goods.



2020 was a year of risks and opportunities unearthed by a changing world. It required resilience—from our company to our customers, who suddenly found themselves setting up offices and classrooms at home.

Our focus on quality, safety and sustainability served us well. We design most of our products in-house, translating into greater ownership of materials, production and quality. Long-term partnerships with vendors enabled us to maintain high standards while fulfilling more orders and shipping directly to customers.

Despite strains on the global supply chain, we met our 5-year goal to educate and empower 100,000+ workers. We more than doubled our goal to pay \$3M in Fair Trade Premiums to workers by 2020—reaching over \$7M—and we exceeded our goal to source at least 50% of our wood responsibly by 2021, reaching 65% by the end of 2020.

When the pandemic surged in the spring of 2020 and we closed our stores, we took a people-first approach, re-assigning store associates to digital services to avoid furloughs and layoffs. When we re-opened, we prioritized health and safety, launching contactless curbside pickup across locations and implementing heightened safety protocols. In the summer of 2020, as social justice issues resurfaced, we strengthened our diversity and inclusion program with a robust Equity Action Plan. We expanded unconscious bias training, hosted associate forums to combat racism against Black and Asian community members, increased philanthropy to social justice organizations and diversified our workforce.

This year has proven the importance of strong social and environmental goals, and this report kicks off ambitious new targets that will carry us through the next decade. These are the longest-term goals we've ever set, leaving room for us to raise the bar in coming years. In 2020, we became signatories to the UN Global Compact, affirming our long-standing commitment to the 17 UN Sustainable Development Goals, a global framework for achieving a better future for all by 2030. By then, at least 75% of our products will represent one or more of our environmental and social initiatives. Our goal is to offer the largest assortment of responsibly made products in the home furnishings industry, creating a company that's truly good by design.

LAURA ALBER, CEO
Williams-Sonoma, Inc.

OUR STRATEGY

Our commitments to planet, people and purpose continue to drive sustainable growth. We outperformed our industry in 2020, growing our business by 15% and demonstrating strategic success.

OUR CUSTOMERS CARE:

40%

More likely* to prioritize social and environmental factors when choosing products**

3X

More likely* to be in environmentally-focused households, according to Pottery Barn survey results

70%

Of customers 35 and under say sustainability and social impact play a significant role in deciding where to shop**

*Compared to average consumer. **Across all WSI brands.

AT WILLIAMS-SONOMA, INC. our key differentiators are our in-house design, our digital-first strategy and our values. Three pillars – Planet, People and Purpose – define our approach to corporate responsibility. Throughout our company, we prioritize the health of our planet, the wellbeing of our people and a shared sense of purpose – the imperative to foster long-term, sustainable growth for our company and to drive positive change in our industry.

Over the past decade, we've strengthened these foundations through expertise in design and materials, strong partnerships across our supply chain, clear standards and policies and a talented team. This work is not easily imitated, and it's enabled us to create the best products, services and teams while growing our customer base. We're prepared for a changing future.

As extreme weather events become more frequent, the material risks of climate change become more visible. Amid increasingly apparent social inequalities, historic protests for racial justice reverberated across the United States and the world this year. The pandemic also accelerated other trends, from e-commerce to remote work. Together, these challenges are dramatically disrupting the way we live and work.

Our differentiators – including our core values – have become increasingly important in setting us apart and orienting us towards the future. Today, over 40% of our products are sustainably sourced or made, and we'll consistently grow that number to 75% through 2030. Our customers have come to trust and depend on our brands for beautifully designed, high-quality, sustainable products. We've set the standard for the home furnishings industry – from being the first Fair Trade home

retailer, helping create and launch the Nest Seal of Ethical Handcraft, and becoming an early member of the Sustainable Apparel Coalition, where we've adopted their tools and helped create a coalition of sustainable home companies.

We lead the home furnishings market in responsible materials and finishes, ethical production and worker wellbeing. According to NRF and IBM Research Insights, 70% of consumers today want to support brands doing good in the world. In a recent report by Capgemini, 79% of consumers are changing their purchasing preference based on values. We're converting those customers. In 2020, we outperformed our industry, grew our business by 15% and gained market share despite supply chain disruptions and low retail traffic from closed stores.

Our values also help us attract and retain talented team members, from designers to digital experts to store associates. We're leaders in gender equity, with 64% female-identifying leaders in management, and we're increasing Black representation through our Equity Action Plan.

As we meet goals we set in 2015, we're setting new targets for 2030. These long-term goals are centered in building the best products and the most inclusive company. We committed to a 2030 science-based climate target aligned with the Paris Agreement. An ambitious decade-long timeline, it requires concrete changes now but also leaves room for us to adapt, refine and raise our targets along the way. We're measuring our performance and reporting on our progress annually, always in search of improvement. By managing resources responsibly, caring for our people and uniting around our values, we lay the foundation for a more resilient company.

OUR COMMITMENTS

In 2015, we set goals that embedded environmental and social programs in our business. Today, as we meet and exceed those targets, we're reshaping the industry and ourselves. Over the next decade, we'll deepen our commitments to responsible materials and ethical labor.

2020-21 GOALS

PILLAR	GOAL	END	2020 YEAR-END
PLANET	100% responsibly sourced cotton across WSI	2021	89%
PLANET	50% responsibly sourced wood across WSI	2021	65% (exceeded)
PLANET	75% landfill diversion across WSI	2021	49%
PLANET	100% GREENGUARD Certified bedroom and nursery furniture* at Pottery Barn Kids since 2019	2020	100%
PEOPLE	Education and empowerment for 100k+ workers across WSI	2020	103K (exceeded)
PEOPLE	\$3M in Fair Trade Premiums paid to workers across WSI since 2014	2020	\$7M (exceeded)

*Company-produced furniture.

OUR COMMITMENTS

Today, over 40% of our products are labeled with one or more environmental or social standard. By 2030, we'll reach 75%. With products at the center of our strategy, we're rethinking everything from materials like cotton and wood to the wellbeing of our workers and suppliers.

2025-2030 GOALS

PURPOSE

75% of products labeled with one or more of our social or environmental initiatives by 2030

PLANET

Carbon neutral in Scope 1 & 2 Emissions by 2025

PLANET

Science-Based Target of 50% absolute reduction in Scope 1 & 2 Emissions and 14% absolute reduction in Scope 3 Emissions by 2030*

PEOPLE

75% product purchases from suppliers who offer worker wellbeing programs by 2030

PEOPLE

Pay an additional \$10M in Fair Trade Premiums and purchase \$50M in Certified Ethically Handcrafted Products by 2025

*From 2019 baseline.

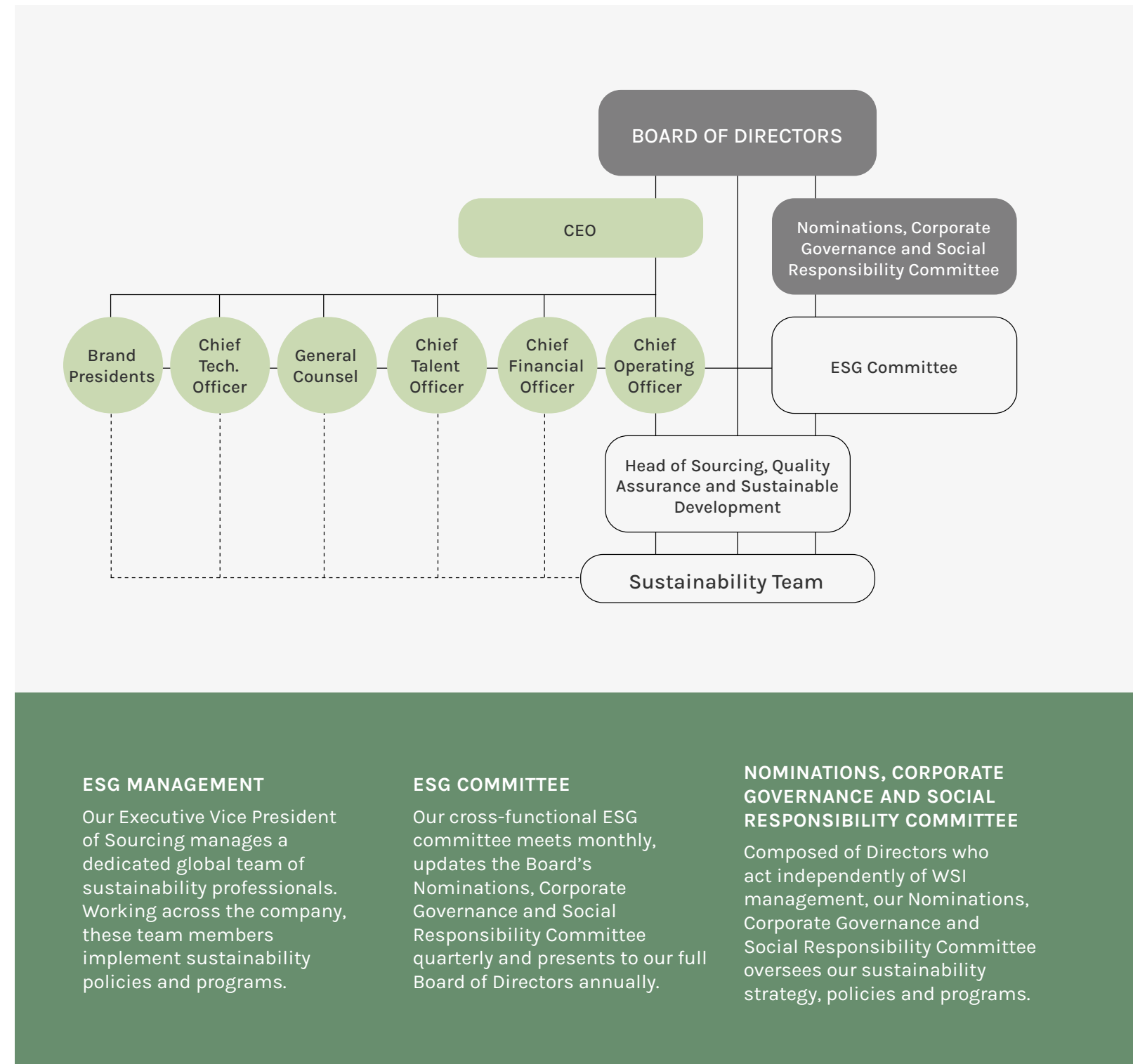
GOVERNANCE OF SUSTAINABILITY

We're proud that over 50% of our Board members identify as women. We review sustainability programs with our Board quarterly and publish updates in our annual Proxy Statement and Impact Report.

Our Methodology

OUR COMMITMENT to transparency includes clearly defining the methodology behind our claims. We use [Greenhouse Gas Protocol](#) (GHG) standards to track our emissions, and we've set [Science-Based Targets](#) for Scope 1, 2 and 3 emissions. We prioritize environmentally conscious materials, and we disclose materials in our product information, including any third-party certifications used. We take a Good-Better-Best approach to define our use of responsible materials. We keep updated vendor certification documentation and scope of certification, and collect transaction certificates and verification for product claims. We measure landfill diversion by percent of recycled and composted volume to total waste by tons. Our scope includes distribution centers, in-sourced hubs, corporate offices and retail stores in North America.

We report on our progress annually. This report is informed by the [Global Reporting Initiative Standards](#) (GRI), the [Sustainability Accounting Standards Board](#) (SASB), the [Task Force on Climate-Related Financial Disclosures](#) (TCFD) and additional assessments that include business goals, areas of sustainable impact and industry benchmarking.



ESG MANAGEMENT

Our Executive Vice President of Sourcing manages a dedicated global team of sustainability professionals. Working across the company, these team members implement sustainability policies and programs.

ESG COMMITTEE

Our cross-functional ESG committee meets monthly, updates the Board's Nominations, Corporate Governance and Social Responsibility Committee quarterly and presents to our full Board of Directors annually.

NOMINATIONS, CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY COMMITTEE

Composed of Directors who act independently of WSI management, our Nominations, Corporate Governance and Social Responsibility Committee oversees our sustainability strategy, policies and programs.



WE'RE PROUD TO BE RECOGNIZED AS A SUSTAINABLE LEADER IN OUR INDUSTRY.

BARRON'S

100 Most Sustainable U.S. Companies 2018-2021

FORTUNE'S

Change the World List 2020

REPREVE®

Champion of Sustainability 2018-2020

FORBES

Best Employers for Women 2019-2020

TOP 10

Textile Exchange Global Leader in Preferred Fibers 2016-2020

TOP 10

Sustainable Furnishings Council Global Leader in Responsibly Sourced Wood 2018-2020

HUMAN RIGHTS

Campaign Corporate Equality Index 2021

FORBES

Best Employers for Diversity 2020-2021

BLOOMBERG

Gender Equality Index 2021

U.N. SUSTAINABLE DEVELOPMENT GOALS

In 2020, we joined the United Nations Global Compact. As members, we align our strategy with the United Nations' Sustainable Development Goals (SDGs). Our work directly connects to the SDGs, and we map our programs using each goal as a guidepost.



JOIN THE JOURNEY

The products you purchase make a difference at home and beyond. Join us on the journey to lower our carbon footprint, support ethical production and protect the home we all share.

GOING ORGANIC SINCE 2007

In 2007, we introduced our first organic cotton collections, in 2012 we published our first textile procurement policy, and in 2015 we committed to 100% responsibly sourced cotton.

LOWERING EMISSIONS SINCE 2011

Despite increases in revenue each year, we've reduced our carbon intensity since 2011. In 2020, we calculated our complete carbon footprint across the value chain and set a Science-Based Target to reduce emissions by 2030 in line with climate science.

REDUCING WASTE SINCE 2014

In 2014, we began tracking diversion rates. In 2020, Pottery Barn became the first major home furnishings retailer to partner with The Renewal Workshop, restoring imperfect items and keeping them out of landfills. Across our brands, we're increasing recycled content and product donations.

TRACKING LOW-VOC PRODUCTS SINCE 2017

GREENGUARD and STANDARD 100 by OEKO-TEX® Certified products are tested for harmful chemicals and VOCs, so the air you breathe is cleaner. In 2017, Pottery Barn Kids set a goal to produce 100% GREENGUARD Certified furniture and, in 2019, we met it.

PROTECTING FORESTS SINCE 2006

Since 2006, we've partnered with the Forest Stewardship Council® (FSC®) to use reclaimed and recycled wood, 100% FSC-certified catalog paper and FSC-certified wood. In partnership with the Arbor Day Foundation, Pottery Barn is planting 3 million trees from 2020 to 2023, with over 650K trees planted in 2020.

SAVING ENERGY SINCE 2009

In 2009, we created a dedicated sustainability department and developed strategies for saving energy. We've since converted to LEDs across most of our locations and products, using 75% less energy with bulbs that last 25 times longer than incandescent lights.

SUPPORTING FAIR TRADE SINCE 2013

In 2013, we partnered with Fair Trade and in 2014, we became the first home retailer to offer Fair Trade Certified™ products through West Elm. By the end of 2020, we worked with 16 Fair Trade Certified factories and offered Fair Trade products across all our brands.

PROVIDING WORKER WELLBEING PROGRAMS SINCE 2015

In 2015, we set a goal to provide 100,000+ factory workers with education and empowerment programs and, in 2020, we met it. We became the first retailer to adopt the Nest Seal of Ethical Handcraft in 2018, impacting 3,600+ artisans.

Planet

-

In 2020, we calculated our complete carbon footprint. In 2021, we set an ambitious Science-Based Target for emissions reduction across our value chain. As we move toward those targets, we continue to expand responsible materials from cotton and wood to innovative, low-impact options.



CLIMATE & ENERGY

Williams-Sonoma, Inc. has led the home furnishings industry by building sustainability into our supply chain and materials. Complex problems require big solutions — that’s why we’re expanding on the work we’ve done to reduce our carbon footprint across our full value chain, from our factories to your home.

AT WILLIAMS-SONOMA, INC. we understand that the planet needs urgent progress to combat the worst effects of climate change. As a multinational retailer with a global value chain, we are committed to environmentally responsible practices across our business — from designing and sourcing responsible products, to reducing waste, to working with suppliers to lower emissions and adopt sustainable business models. By managing resources responsibly, we increase our capacity to adapt to resource scarcity, global uncertainty, changing technologies and future environmental and social challenges.

Our climate strategy began in 2006 when we first partnered with the Forest Stewardship Council®. In 2011, we began reporting on Scope 1

and 2 emissions, and we’ve reduced our carbon intensity year-over-year ever since. In 2020, we expanded to an enterprise-wide strategy across our value chain (Scopes 1, 2 and 3).

Informed by both risks and opportunities, our strategy is built on supply chain resilience. As pandemics and extreme weather events grow more frequent, supply chain disruptions pose an increasing risk to our business. In response, we’re mapping our supply chain to enhance traceability of our materials and production, enabling greater visibility into opportunities and risks.

In 2020, we made our first public [CDP Climate Disclosure](#) and [scored a B](#), higher than the averages for retail in North America and globally.

In 2021, we committed to a 10-year, public, Science-Based Target for emissions reduction by 2030. Aligned with the Paris Agreement, this target makes critical contributions to limiting the worst impacts of climate change. Through this process, we are proving the potential of a 1.5-2°C-compliant business model and positioning our company to thrive as the world transitions to a net-zero future by 2050. We will continue to share our progress in an annual CDP disclosure and regular updates through the Science-Based Target initiative.

NOTABLE CLIMATE INITIATIVES:

1.5°C

Set [Science-Based Target](#) for Scope 1 & 2 Emissions aligned with 1.5°C threshold*

68%

Of supplier spend using the Higg Facility Environmental Module (FEM), with 100% participation goal by 2023

67%

Of retail locations retrofitted or redesigned with energy-saving LEDs**

*Scope 3 Science-Based Target aligns with 2°C threshold.

**As of 2020.

OUR SCIENCE-BASED TARGET

We've set a Science-Based Target for emissions reduction across our value chain by 2030, and our operations will be carbon neutral by 2025.

ALIGNED WITH THE PARIS AGREEMENT, we've set targets that will help keep global warming below 2 degrees Celsius to avoid the worst effects of the climate crisis while establishing a pathway to net-zero emissions. Working with the Science-Based Targets initiative—the gold standard for goal setting—Williams-Sonoma, Inc. is joining over 1,000 companies reducing their emissions in line with climate science.

In 2020, we conducted a comprehensive analysis of our environmental footprint aligned with the GHG Protocol and used that to set a Science-Based Target and carbon-neutral goal.

SCOPE 1 & 2 EMISSIONS: OUR OPERATIONS

We report on Scope 1 and 2 emissions and reduce the carbon and electricity intensity of our operations year-over-year, even as our revenues continue to grow. Major initiatives include retrofitting or redesigning 391 stores (67% of our 581 locations in 2020) and 30 offices, call centers, distribution centers and U.S. factories (50% of our 60 non-retail locations in 2020) with LED lighting. We will continue to upgrade to more energy-efficient equipment and retrofit lighting, which has not only reduced our energy footprint but has delivered savings and positive ROI.

SCOPE 3 EMISSIONS: OUR VALUE CHAIN

Our value chain, Scope 3, accounts for over 98% of our total emissions. Working with industry expert Anthesis, we found that nearly 50% of our Scope 3 impact is in materials and production, with another 20% of emissions generated from products after they're sold. Emissions include:

- **PRODUCTION:** Finished goods assembly and manufacturing
- **MATERIALS:** Raw materials extraction and processing
- **PRODUCT USE:** Product energy use in customers' homes
- **CUSTOMER TRAVEL:** To and from stores
- **PRODUCT TRANSPORT:** From vendors to stores, DCs & customers
- **EMPLOYEE TRAVEL:** To stores and offices
- **PROCUREMENT:** Products, goods and services used in operations
- **PRODUCT END OF LIFE:** Disposal and recycling
- **PACKAGING:** Packaging materials and end of life
- **OTHER SCOPE 3:** Business travel, operations waste and other impacts

Like most global retailers, our value chain represents the largest portion of our emissions. Our reduction targets are focused on raw materials, production, downstream transportation and use of sold products.



CLIMATE TARGETS:

100%

Carbon-neutral in Scope 1 & 2 Emissions by 2025

50%

Absolute reduction in Scope 1 & 2 Emissions by 2030*

14%

Absolute reduction in Scope 3 Emissions** by 2030*

*Based on 2019 baseline. **From materials, production, transportation & product use.

We're prioritizing emissions reduction from factories to your home. While we've reduced the carbon footprint of our operations year-over-year, in 2020 we calculated our full value chain emissions and created a roadmap for reduction.

GREENHOUSE GAS (GHG) EMISSIONS are divided into three categories, or scopes. In our operations (Scopes 1 and 2) we've reduced GHG emissions year-over-year since 2011, and we'll be carbon neutral by 2025. This means we'll offset any GHG emissions we don't eliminate, making our impact neutral. By setting a Science-Based Target, we're also making a third-party-verified commitment to reduce emissions regardless of business growth. 2030 goals help us make much-needed concrete changes now, so we can work towards science-based, net-zero targets in the future.

SCOPE 1 & 2 EMISSIONS: OUR OPERATIONS

EFFICIENCY We'll retrofit systems and upgrade to more energy-efficient equipment across our offices, stores and distribution centers, reducing the energy used to power our operations.

RENEWABLES We'll install solar where appropriate, purchase green power when possible and support new renewable energy projects through power purchase agreements.

SCOPE 3 EMISSIONS: OUR VALUE CHAIN

MATERIALS Some of our highest emitting materials are wool and polyester, so we're developing a preferred materials strategy and switching to lower-impact options like Responsible Wool Standard certified wool and recycled polyester.

TRANSPORTATION Through increased direct-to-consumer sales and more efficient delivery, we're ensuring our customers receive our products in the lowest-impact way.

PRODUCTION We're collecting suppliers' environmental data to develop supplier strategies. Together, we'll set targets for emissions and renewable energy and track yearly progress.

PRODUCT USE We're working with brand partners to offer the most energy-efficient options for appliances and lighting.

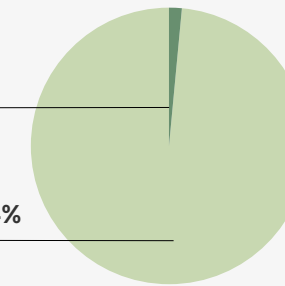
TOTAL EMISSIONS

SCOPE 1: 0.3%
SCOPE 2: 1.3%

OPERATIONS

SCOPE 3: 98.4%

VALUE CHAIN



SCOPE 1: OPERATIONS

Emissions from burning fuel for vehicles, heating and generators used in our operations

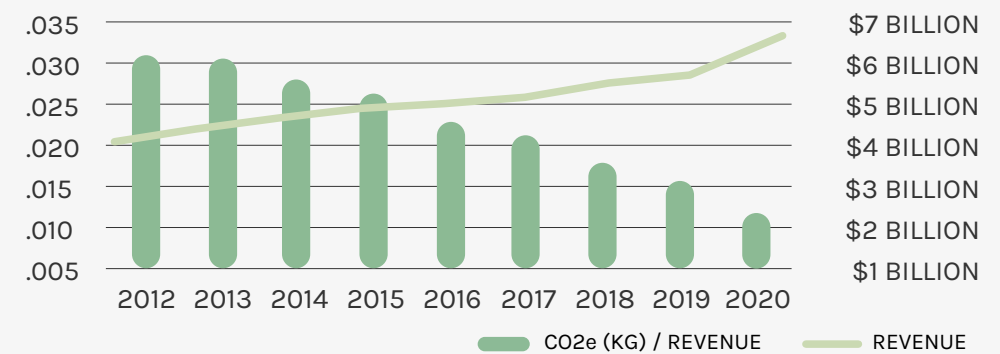
SCOPE 2: PURCHASED ENERGY

Emissions from the energy we purchase to power our stores, distribution centers and offices

SCOPE 3: VALUE CHAIN

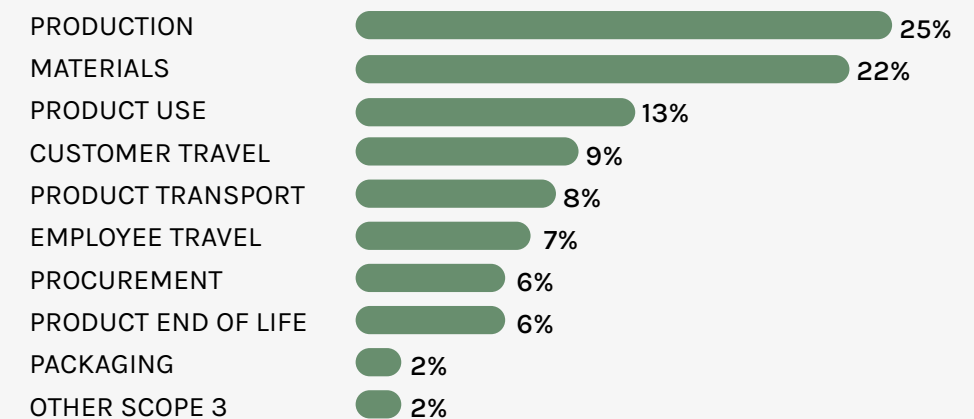
Emissions generated from our full value chain outside our operations, from factories to homes

SCOPE 1 & 2 EMISSIONS DECREASES W/ REVENUE GROWTH



SCOPE 3 BASELINE: 2019

% TO TOTAL GHG EMISSIONS (MTCO2E)





JOIN THE JOURNEY

To lower your environmental impact when buying new, look for recycled, reclaimed or third-party certified products that meet high social and environmental standards.

SPOTLIGHT: MATERIALS & PRODUCTION

Using tools developed by the Sustainable Apparel Coalition, we're helping our suppliers reduce their emissions and track their progress.

AS LONGTIME MEMBERS of the Sustainable Apparel Coalition (SAC) and one of the first home retailers to belong, we've adopted the Higg Index. Developed by the SAC, the Higg Index is a suite of tools for the standardized measurement of value chain sustainability.

To further refine our Scope 3 data, we used the Higg Facility Environmental Module (FEM) to set baseline environmental data for our suppliers. Our goal in launching the Higg FEM self-assessment is to measure our suppliers' environmental impact, so we can work with them to create and track targets, reducing emissions over time. We're planning to use this data to inform our environmental compliance program, ensure our vendors have an environmental management system in place, and work together to set and meet science-based climate targets.

While we've encouraged suppliers to use the Higg FEM in the past, in 2020 we launched the tool to vendors representing 75% of our purchase-order volume and made it mandatory. We collected data from 217 factories representing nearly 70% of our spend. Our goal is to reach 100% supplier engagement and participation over the next two years.

Through the process, we're also working with the SAC to lead conversations around translating Higg tools for the home furnishings industry. Not only are we achieving milestones in our journey to reduce emissions, we're also driving industry collaboration to make manufacturing more sustainable.

SPOTLIGHT: MATERIALS & PRODUCTION

As part of our strategy to reduce emissions from manufacturing and production, we're implementing the Higg FEM Survey across seven different categories:

ENERGY

The largest human-made sources of GHG emissions, energy production and use also represent the greatest opportunities for change. We're collaborating with factories to drive energy efficiency and transition to renewables wherever possible.

WATER

We're working with factories to understand how much water we're withdrawing, so we can take action and improve the quality and efficiency of water use across our facilities and operations.

WASTE

Accurately tracking and reporting waste data over time gives us detailed insights into opportunities for improvement, such as the potential to recycle materials and reduce packaging.

AIR EMISSIONS

To reduce pollution and improve human health, the Higg Index can be used for tracking and reporting on air quality over time—providing data that drives strategies for improvement.

WASTE WATER TREATMENT

Properly managing, treating and disposing of wastewater are critical steps in reducing pollution and protecting local environments.

ENVIRONMENTAL MANAGEMENT SYSTEM

An Environmental Management System is a holistic strategy and process to identify, track and manage the environmental impacts of facilities over time.

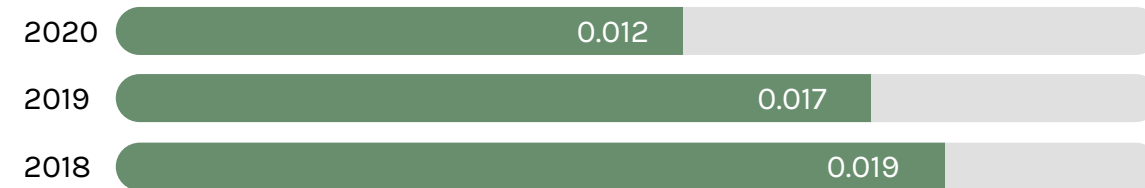
CHEMICAL MANAGEMENT

Chemical management involves everything from inventory and purchasing, to the production floor, to storage and waste locations. Strong policies and procedures mitigate potential hazards to human and environmental health.

CARBON & ELECTRICITY INTENSITY

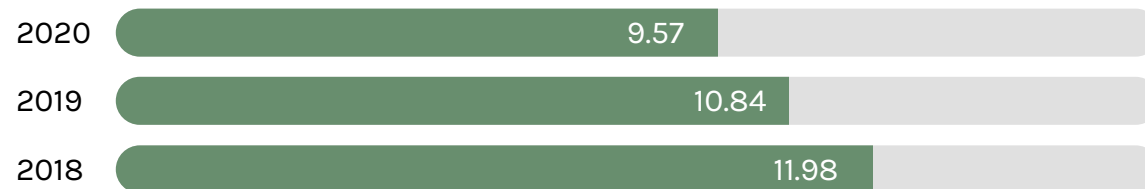
In 2020, we continued to reduce energy and fuel emissions, focusing on sustained progress as the world re-emerges from the pandemic.

TOTAL: SCOPE 1, 2 & PARTIAL SCOPE 3* CARBON INTENSITY: CO2e (KG)/REVENUE



CALCULATION & SCOPE: *Data aggregated by NUS and manual data collection. 2019-20 emissions calculations performed by Point380. Point380 calculation added radiative forcing factors in 2019. Greenhouse gas emissions (GHG) in kilograms per dollars of revenue. Emissions include Scope 1 (direct GHG emissions from fuel consumption), Scope 2 (indirect GHG emissions from purchased electricity) and partial Scope 3 (emissions from business travel). Emissions from stores, data centers, outsourced data services, distribution centers, in-sourced hubs, call centers, corporate offices and owned and leased vehicles is included.

TOTAL: SCOPE 2 ELECTRICITY INTENSITY: kWh/SQFT



CALCULATION & SCOPE: Data aggregated by NUS, manual data collection and WSI Real Estate. 2019-20 electricity intensity calculations performed by Point380. Electricity consumed in kilowatt hours (kWh) per square foot of real estate annually. Consumption for stores, data centers, outsourced data services, distribution centers, in-sourced hubs, call centers, owned production facilities and corporate offices included. Real estate square footage is an annual average.



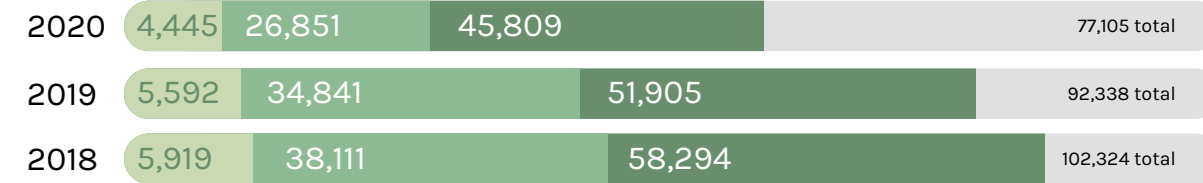
JOIN THE JOURNEY
Residential LEDs use 75% less energy and last 25 times longer than incandescent lights. We've converted to LEDs across most of our locations and products, saving energy from our stores to your home.

EMISSIONS BY SOURCE

While our emissions decreased in large part from COVID-related store closures, we also sustained GHG reductions across our operations despite record e-commerce growth.



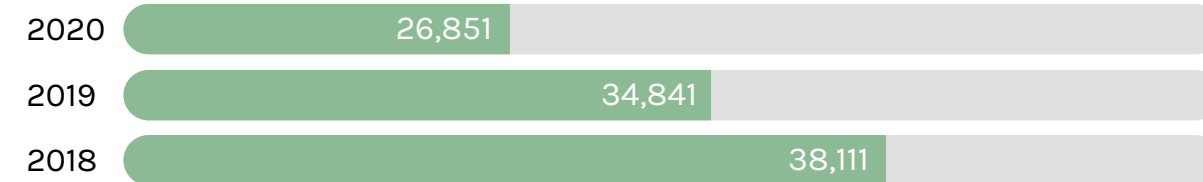
TOTAL: SCOPE 1 & 2 EMISSIONS (METRIC TONS) | OFFICES | DCs | STORES



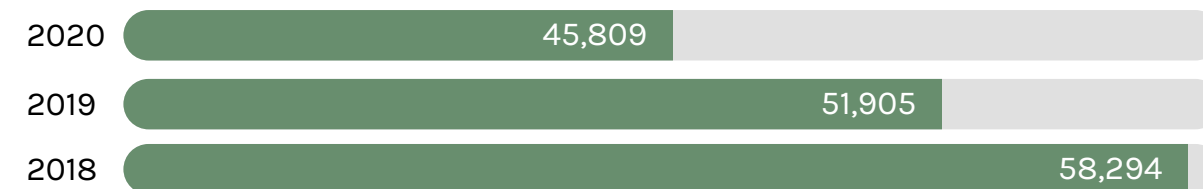
OFFICES: SCOPE 1 & 2 EMISSIONS (METRIC TONS)



DISTRIBUTION CENTERS (DCs) & HUBS*: SCOPE 1 & 2 EMISSIONS (METRIC TONS)



RETAIL STORES: SCOPE 1 & 2 EMISSIONS (METRIC TONS)



CALCULATION & SCOPE: *DCs, in-sourced hubs, production facilities & data centers. Data aggregated by NUS & manual data collection. 2019-20 calculations performed by Point380. GHG in kilograms per dollars of revenue. Emissions include Scope 1 (direct GHG emissions from fuel consumption) and Scope 2 (indirect GHG emissions from purchased electricity). Emissions from stores, data centers, outsourced data services, distribution centers, in-sourced hubs, call centers, corporate offices, corporate jet & owned and leased vehicles are included.

RESPONSIBLE MATERIALS & FINISHES

Our sustainability teams are embedded in our supply chain, where we've made significant progress towards adopting low-impact materials.



OUR MATERIALS AND VALUE CHAIN constitute the majority of our emissions. Examining materials through the lens of emissions, we're developing a strategy to transition from high-emitting materials to lower-impact options like recycled, circular and certified materials from sustainably managed sources.

Nearly two decades ago, we began working with responsibly sourced materials. Our engagements with organizations like the [Forest Stewardship Council®](#) and [World Wildlife Fund's Global Forest and Trade Network](#) made us an early adopter of our industry's most impactful frameworks for responsible sourcing. In 2007, we began sourcing certified organic products and began to formalize our wood and fiber sourcing policies. In 2015, we launched ambitious goals for responsibly sourcing cotton and wood—our largest-volume materials. As we near the completion of those goals, we're looking beyond cotton and wood to expand into low-carbon options like recycled fibers.

OPPORTUNITIES AND RISKS

More than ever, customers are attuned to the social and environmental impact of the products they buy. By embedding our responsible materials strategy into product development, we will continue to capture customer demand. We lead our industry in quality, performance and third-party-certified product selection. By setting and meeting a Science-Based Target for emissions reduction, we're also poised to lead in the development of low-carbon materials while capturing demand for low-impact products.

At the same time, extreme weather and pandemic-related disruptions are affecting materials sourcing—from foam to cotton. In 2021, hurricanes and ice storms in Texas disrupted the supply chain for upholstery foam, which led to delays in upholstery production. Increased demand, COVID-related shortages and extreme weather also led to acute variability in cotton prices. The same year, we implemented streamlined reporting and data collection across our vendor base. Using Sourcemap supply chain mapping software, we're pursuing greater traceability of raw materials, back to the farm and fiber extraction. We're also creating surveys to gather data and documentation, better preparing us for future global events.

NOTABLE MILESTONES:

TOP 10

Global Leader in Responsibly-Sourced Wood for 3rd year in a row*

3M TREES

To be planted by 2023 through Pottery Barn's partnership with the Arbor Day Foundation**

100%

GREENGUARD Certified furniture at Pottery Barn Kids in 2020***

*Ranked by Sustainable Furnishings Council.

**653,375 trees planted at the end of 2020.

***Company-produced bedroom and nursery furniture.

SPOTLIGHT: INNOVATIVE MATERIALS & FIBERS

As we build on past goals, we’re going beyond wood and cotton—increasing recycled content and replacing higher-emitting materials with lower-impact alternatives.

THROUGH THE LENS of reducing emissions, we’re creating a preferred material framework across all product categories. Informed by our 2020 carbon footprint calculation as well as the [Textile Exchange’s Preferred Fiber and Material Matrix](#), this framework connects with our Science-Based Target to reduce emissions across our value chain by 2030.

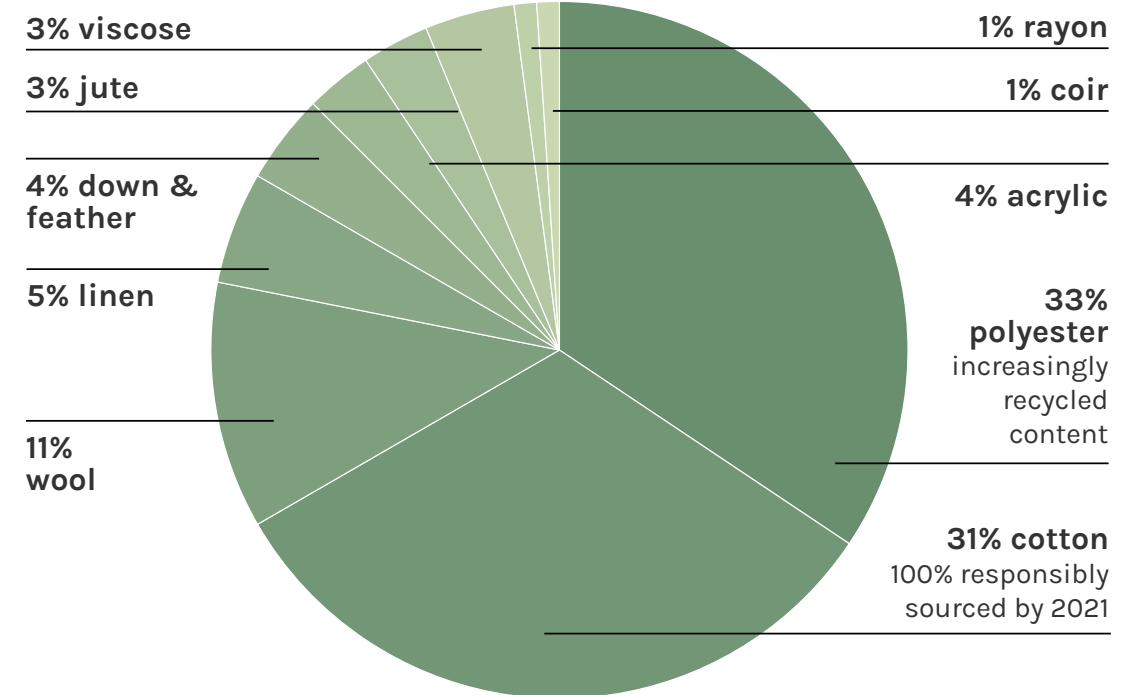
As part of this process, we created a team focused on material innovation across product categories and brands. Research will include plastic, foam and polyester alternatives alongside materials with low environmental impacts. A Materials Specialist oversees innovations and helps to track our progress against goals.

Currently, our top-volume fibers are cotton, polyester and wool. In addition to sourcing 100% responsible cotton by 2021, we’re transitioning to recycled polyester and wool certified by the Responsible Wool Standard—which launched at Pottery Barn and West Elm. At Pottery Barn Teen, we expanded our use of ECONYL® regenerated nylon to create rugs, bedding and backpacks. Across our brands, we’ve diverted 66 million ocean-bound and landfill-bound bottles through our use of REPREEVE® recycled polyester.

We’ve also continued to lead our industry in the use of organic cotton, earning continual recognition each year as a global leader in preferred fibers through [Textile Exchange’s Material Change Index](#). In 2020, our use of organic cotton saved 8.2 billion liters of water and 10.8 million kilowatt-hours of energy.

TOP 10 FIBERS

We’ve concentrated our sustainability efforts around the materials that make up our largest volumes. We’re on track to reach nearly 100% responsibly sourced cotton by 2021, and we’re increasingly opting for lower-impact fibers, such as recycled polyester and nylon.



SPOTLIGHT: INNOVATIVE MATERIALS & FIBERS

To make progress towards lower-impact materials and use of innovative fibers, we're working with a range of partners:

ECONYL

ECONYL® is regenerated nylon made of pre- and post-consumer waste that can be infinitely recycled and remolded.

REPREEVE

We've kept 66 million plastic bottles out of landfills by using REPREEVE® recycled fibers to make pillows, rugs and textile collections.

TENCEL

Made from responsibly harvested trees, TENCEL™ Lyocell requires 11x less water and energy to create than conventional cotton.

LEATHER WORKING GROUP

A longtime member of the Leather Working Group, we're engaging with them to increase traceability at tanneries and farms.

FUR FREE

As part of the Fur Free Alliance, we belong to an international initiative promoting ethical treatment of animals and encouraging companies to eliminate real fur from products.

RESPONSIBLE WOOL STANDARD

To protect the welfare of sheep and the land they graze on, the Responsible Wool Standard certifies progressive standards of animal welfare and land management.

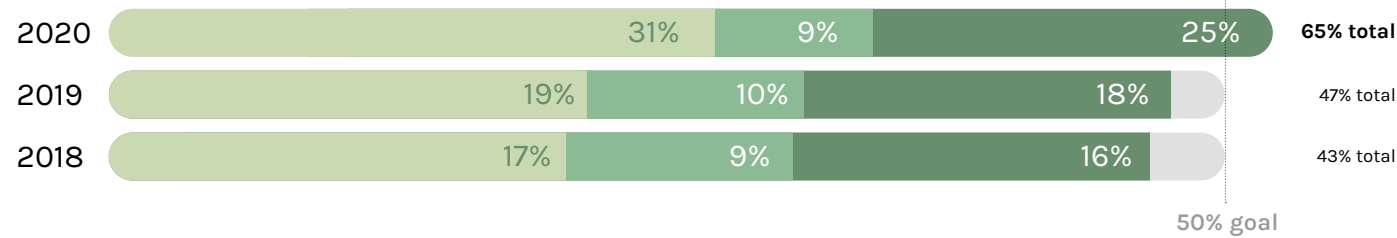
RESPONSIBLE DOWN STANDARD

The Responsible Down Standard certifies humane treatment of ducks and geese, who aren't subjected to unnecessary harm in the supply of down and feathers.

RESPONSIBLE WOOD & COTTON

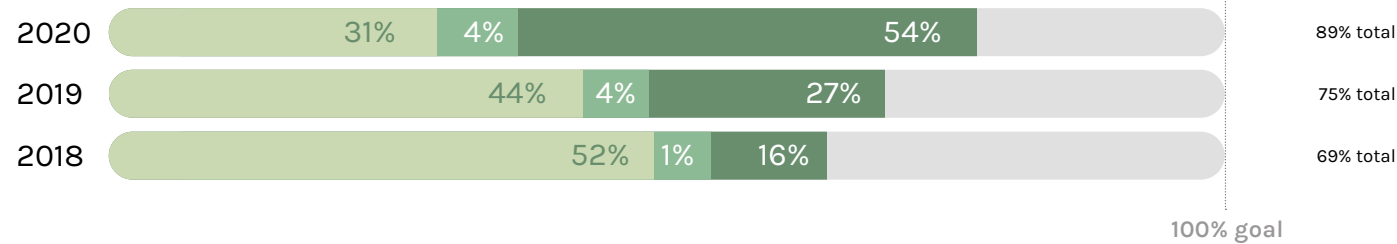
With 65% responsible wood and 89% responsible cotton at the end of 2020, we've made great progress—and we've already exceeded our wood sourcing goals.

RESPONSIBLY SOURCED WOOD: PROGRESS TO 50% BY 2021 | GOOD | BETTER | BEST

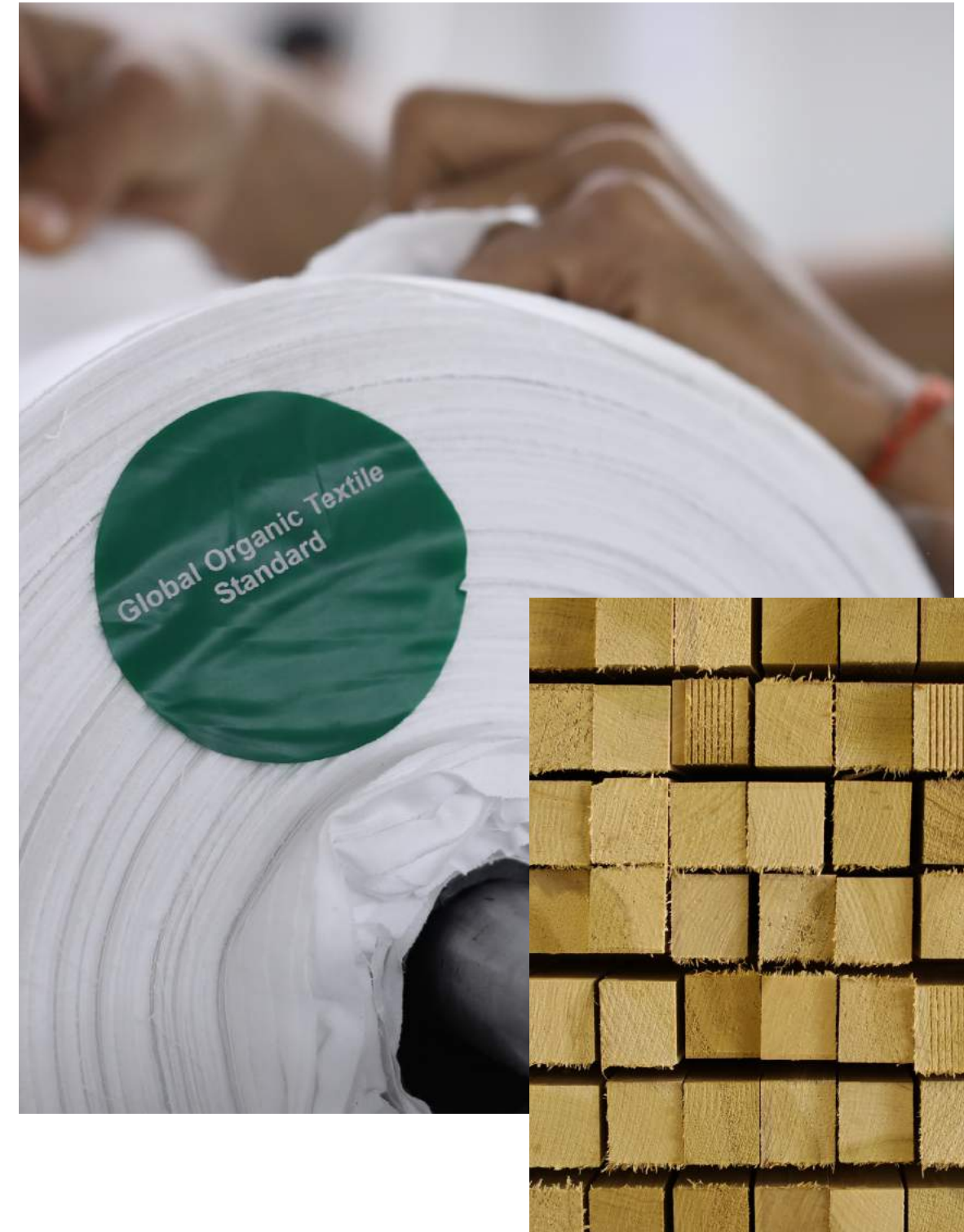


CALCULATION & SCOPE: Tracked by Ecodesk reporting and SKU-level wood volumes from vendors. FSC® volume verified by Rainforest Alliance. Percent of responsibly sourced wood in our furniture in cubic meters. Responsibly sourced wood is categorized through a Good-Better-Best approach: Best – Forest Stewardship Council® (FSC); Better – Programme for the Endorsement of Forest Certification (PEFC), Rediscovered wood (reclaimed/recycled and orchard wood sources), FSC Controlled Wood; Good – verified legal and low-risk wood for legality (as defined by Preferred by Nature's Timber Risk Assessments and FSC's National Risk Assessments).

RESPONSIBLY SOURCED COTTON: PROGRESS TO 100% BY 2021 | GOOD | BETTER | BEST



CALCULATION & SCOPE: Tracked by vendor textile survey. Percent of responsibly sourced cotton used in our textiles in pounds. Responsibly sourced cotton is categorized through a Good-Better-Best approach: Best – Global Organic Textile Standard (GOTS); Better – Organic Content Standard (OCS) and recycled cotton; Good – Better Cotton Initiative™ (BCI) and STANDARD 100 by OEKO-TEX® certified products. Total reflects the volume of responsibly sourced cotton as a percent of WSI's total volume of cotton.



SPOTLIGHT: RESPONSIBLY SOURCED WOOD

In furniture, wood is one of the largest-volume materials we use. By partnering with sustainable organizations and suppliers, we promote responsible harvesting and prevent deforestation.

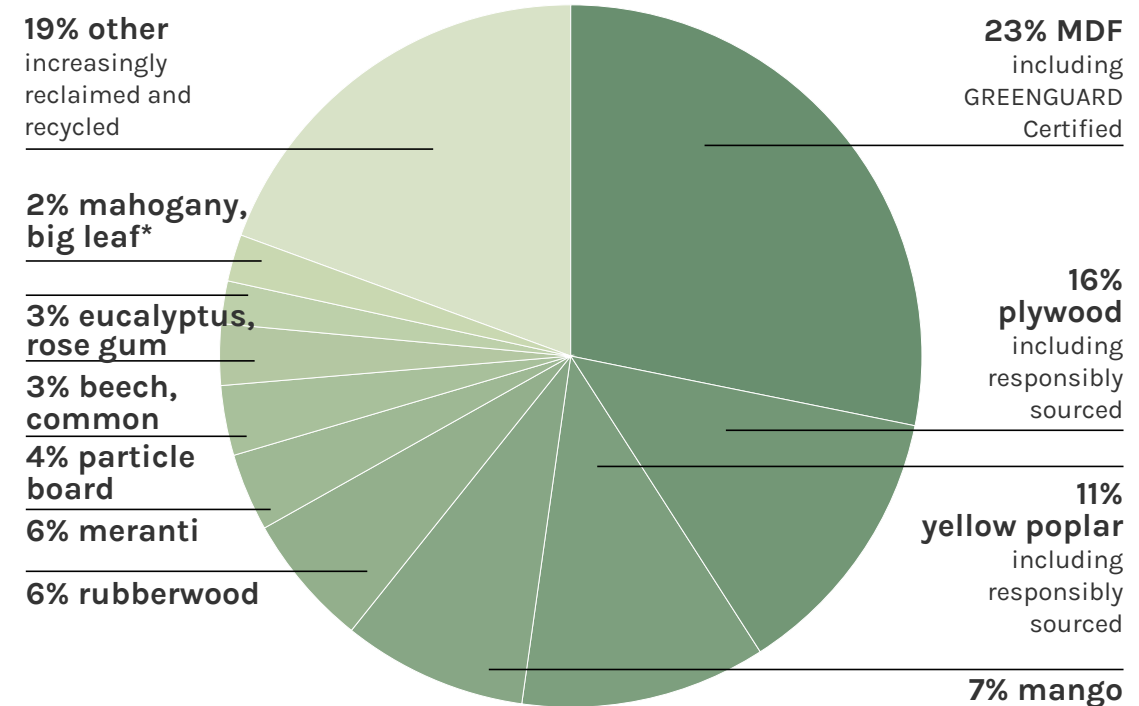
SINCE 2008, we've engaged with the World Wildlife Fund (WWF) to establish a chain-of-custody process to track and validate our wood sources. In 2015, we set an ambitious goal to source 50% of our wood responsibly by the end of 2021, and in 2020 we exceeded that target. We categorize our wood using a Good-Better-Best approach, which includes:

- **Best** - Forest Stewardship Council® (FSC®)
- **Better** - Rediscovered wood (reclaimed/recycled and orchard wood sources), FSC® controlled wood and PEFC*
- **Good** - verified legal and low-risk wood for legality, Preferred By Nature's Timber Risk Assessments and FSC's National Risk Assessments

Despite our efforts, global deforestation is continuing at an alarming rate. According to the [WWF](#), "Nearly half of the world's forests are at high risk of degradation," and "60 percent of forests globally are designated for production," requiring critical management and protection.

In 2021, we joined the WWF's [Forests Forward](#), a performance-based program that engages diverse organizations and groups to improve forest management and responsible trade worldwide. They bring in science, policy, businesses and communities to enable innovative approaches to forest conservation and management. Their goal is to "demonstrate the full value of forests, not just for the wood they supply but for the many other benefits they provide," including biodiversity, health and productivity. Over the next three years, we'll work with Forests Forward to increase our investment in responsible sourcing, so we can continue to protect critical ecosystems while meeting the growing demands of humanity.

*For countries at low risk of illegal logging, we accept the Programme for the Endorsement of Forest Certification (PEFC).



TOP 10 FURNITURE WOOD TYPES

As we exceeded our goal of 50% responsibly sourced wood by 2021, we've increased our use of FSC®-certified, reclaimed and recycled wood. We've also increased third-party certifications – including GREENGUARD – across many types of wood, including medium density fiberboard (MDF), plywood and particle board.

*ES Appendix II species (for Populations of the Neotropics). WSI only sourced for Big Leaf Mahogany from Indonesia & Philippines (not in the Neotropics) in 2020.

SPOTLIGHT: RESPONSIBLY SOURCED WOOD

To protect and restore forests while sourcing our wood sustainably, we're working with these key partners:

FOREST STEWARDSHIP COUNCIL

We recognize the [Forest Stewardship Council®](#) as the gold standard for certification of healthy forest management and sustainable timber.

FORESTS FORWARD

A new World Wildlife Fund initiative, [Forests Forward](#) works on the ground in forests of different types to demonstrate sustainable management and sourcing practices.

ARBOR DAY FOUNDATION

In partnership with the [Arbor Day Foundation](#), Pottery Barn is planting 3 million trees by 2023. For every piece of indoor wood furniture purchased, Pottery Barn plants a tree.

SUSTAINABLE FURNISHINGS COUNCIL

A member of the [Sustainable Furnishings Council](#), we've been ranked among the top scorers on their [Wood Furniture Scorecard](#) for the past 3 years.

GLOBAL PLATFORM FOR SUSTAINABLE NATURAL RUBBER

To ensure we source sustainable rubber wood—a byproduct of the rubber industry—we joined the [Global Platform for Sustainable Natural Rubber](#) as an affiliate member.

RAINFOREST ALLIANCE

Since launching our responsible sourcing policies, we've partnered with the [Rainforest Alliance](#) to verify wood data and ensure that our practices are compliant with our policies.

SPOTLIGHT: CERTIFICATIONS & STANDARDS

In 2020, at year’s end, over 40% of our products represented one or more of our social and environmental initiatives.

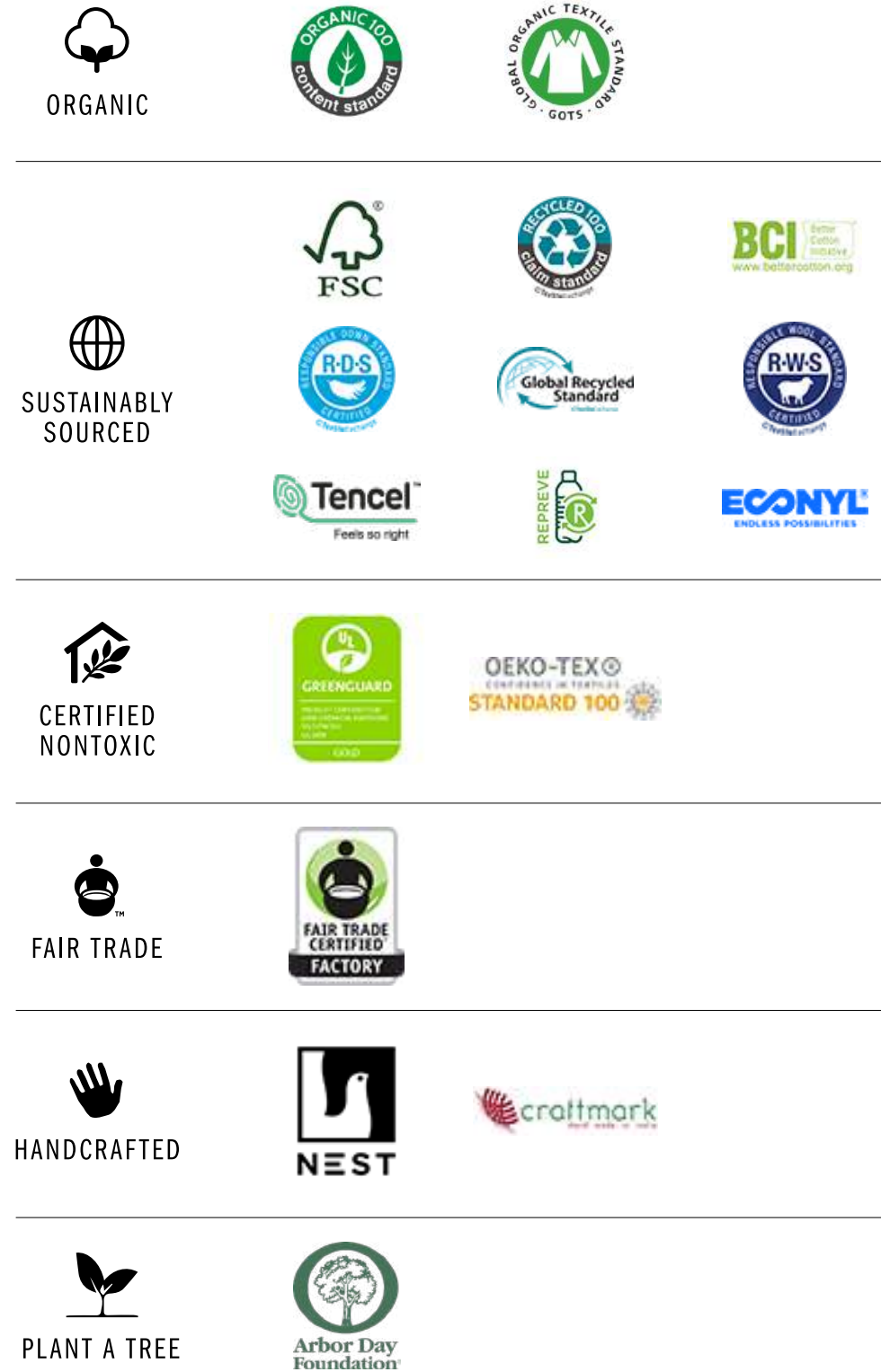
WE’RE COMMITTED TO marketing that is transparent and honest, allowing our customers to make informed choices about the products they purchase. We comply with state and federal marketing laws and regulations, and we internally review and, as needed, work with third-party certification organizations to verify product claims.

Our work starts when we partner with a vendor. Suppliers must comply with WSI’s responsible material sourcing policies and ensure product supply chains are in compliance. Policies such as [Fiber Procurement](#) and [Wood & Paper Procurement](#) detail our commitment to legal, ethical and responsible procurement of key materials. We require that all vendors participate in fiber and wood surveys to ensure they meet our standards, and our products are being accurately marketed to customers.

After a vendor is onboarded, they are required to provide us with up-to-date and

relevant chain-of-custody certifications and supporting documentation. We publish a quarterly list of vendor certifications and scopes to our global design, sourcing and merchant teams, and we hold regular trainings on certifications and standards. We maintain up-to-date vendor chain-of-custody certificates and regularly collect and verify transaction certificates to support marketing claims.

Our commitment to transparency has driven top-line success. With the broadest assortment of sustainably sourced, quality, durable products in the home furnishings industry, customers rely on us for responsibly-made items. As we set goals for the next decade to reach 75% responsibly-made products, we’re deepening our commitments to responsible materials and ethical production.



WASTE & CIRCULARITY

We're expanding product donation and recycling programs, and recent launches of renewed collections are proving customer demand for circular products.

MILESTONES:

260%

Increase in product donations year-over-year*

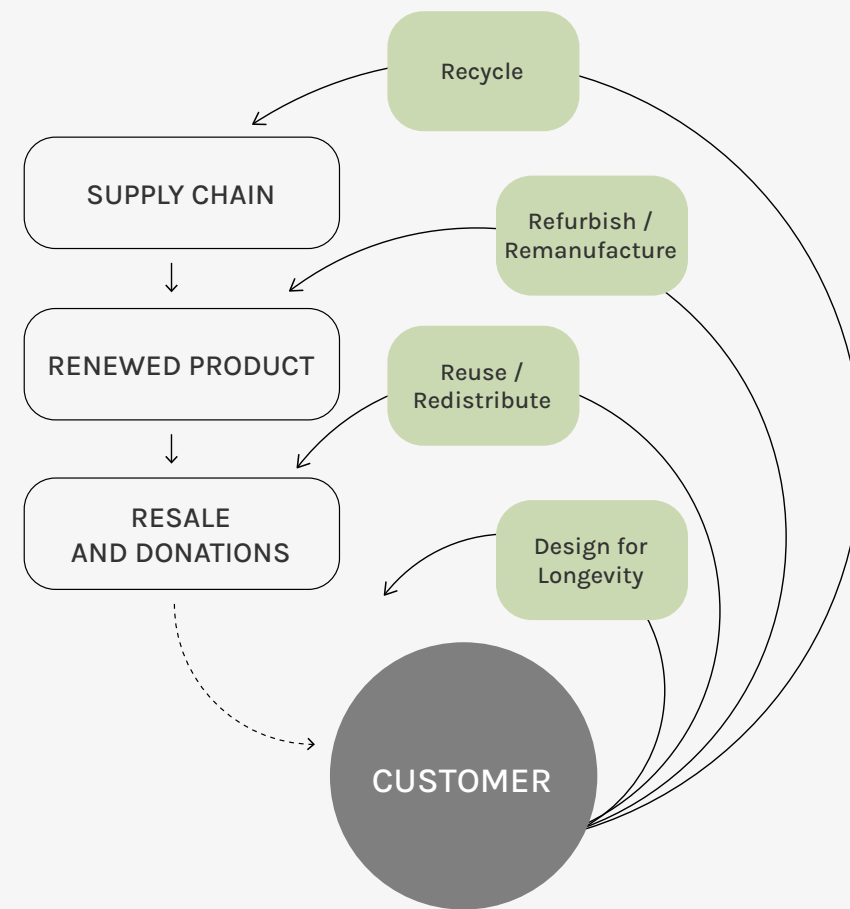
4.7M LBS

Returned or unsold products donated

1ST

Major home furnishings retailer to partner with The Renewal Workshop

*2019-2020.



THE BEST WAY TO AVOID the landfill is to use resources thoughtfully. In 2020, we focused on stores and distribution centers (DCs), working with them to eliminate product waste. Continuing longstanding partnerships with organizations like Good360 and Saint Vincent de Paul, we donated over 4.7 million pounds of returned or unsold products to local nonprofits. In October 2020, we launched a new partnership with Habitat for Humanity, donating unsold Pottery Barn furniture to ReStore locations, where proceeds help fund homes for local families. In just two months, we donated enough product to build 10 homes. We're expanding the program across all our stores and DCs in 2021.

In the past, our retail stores have accounted for two thirds of waste by volume. Styrofoam, which isn't curbside-recyclable, contributed to the problem. To address this issue, we started hauling Styrofoam back from stores to our DCs, where it can be densified and sold, re-entering the value chain. We launched this pilot program at 33 stores in California and Georgia, near our DC hubs. Building on the program's success, we're expanding Styrofoam take-backs in 2021. We also launched battery and lightbulb recycling programs in stores. Partnering with Capitol Lighting, we piloted the program at Pottery Barn in December 2020 and are expanding to all retail locations throughout 2021.

OPPORTUNITIES & RISKS

Our stores and distribution centers hold the biggest opportunity to reduce waste. Working with their landlords, our stores are gaining a greater understanding of local recycling options. We're providing additional bins to retail locations to maximize recycling, and setting a goal for 100% of stores to have an in-store recycling center.

2020 demonstrated how global pandemics create risk for waste management programs. Our goal is to divert 75% of our waste from landfill to recycling and donation streams by 2021, but the requirements of COVID-related safety measures and supplies strained our systems. While we continue to work towards 75% diversion, the pandemic disrupted and potentially delayed our ability to meet that goal by the end of 2021. Moving forward, we're recalibrating and getting back on track with our waste reduction programs.

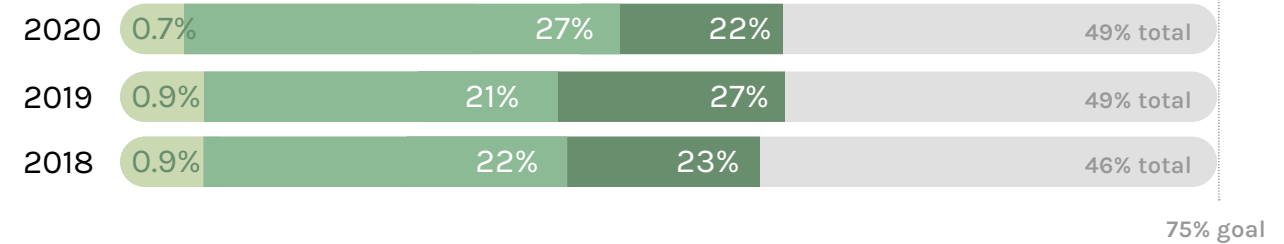
Conversely, we proved tremendous potential and demand for circular products. In September 2020, we launched Pottery Barn Renewed—a collection of imperfect and returned textiles that are repaired and resold through The Renewal Workshop. At launch, the new line diverted 5,400 pounds of textiles from the landfill and sold through over 40% of inventory in the first week. Across our brands, we're launching circular lines and exploring new ways of participating in the circular economy.

LANDFILL DIVERSION

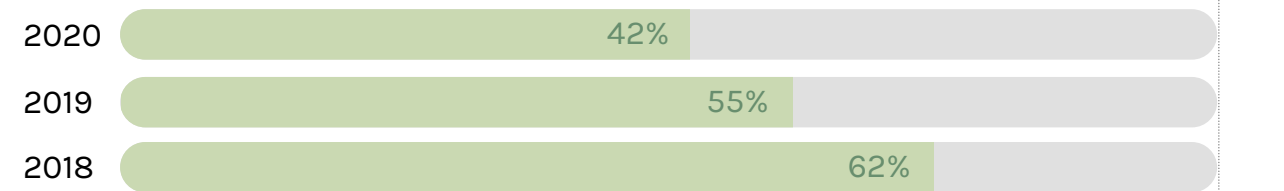
2020 proved both the potential of the circular economy and the challenge of reducing waste in a global pandemic.



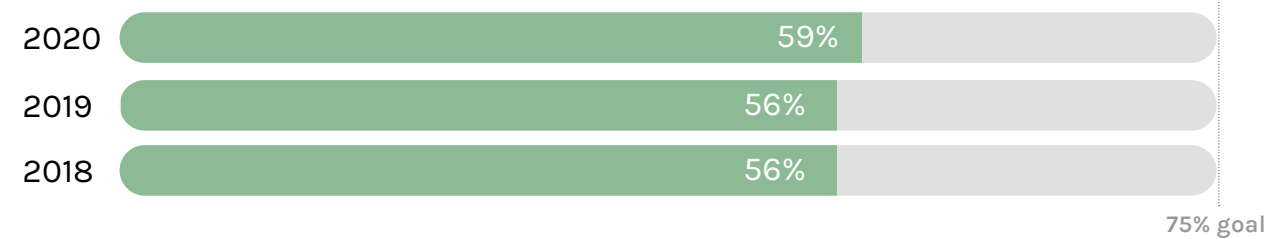
TOTAL LANDFILL DIVERSION*: PROGRESS TO 75% DIVERSION | OFFICES | DCs | STORES



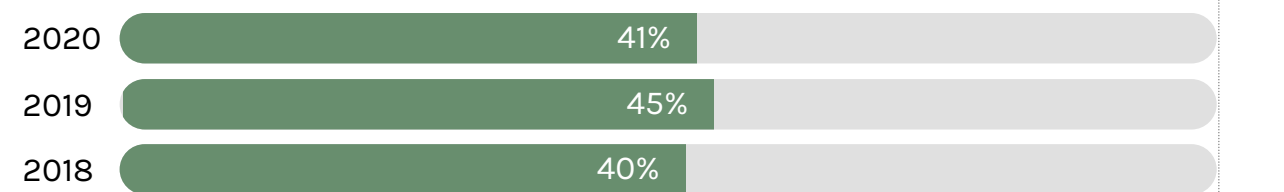
OFFICES: DIVERSION RATE PROGRESS TO 75% GOAL BY 2021



DISTRIBUTION CENTERS & HUBS**: DIVERSION RATE PROGRESS TO 75% GOAL BY 2021



RETAIL STORES: DIVERSION RATE PROGRESS TO 75% GOAL BY 2021



CALCULATION & SCOPE: Calculated since 2017 by Rubicon annual tonnage report, WSI DC monthly report and manual data collection. Percent of recycled and composted volume diverted from landfill in tons. Scope includes distribution centers, in-sourced hubs, corporate offices and retail stores in North America. In 2016, EPA's factor for waste changed from 225 pounds per yard to 138. The new factor was applied in 2017-2020. * See page 57 for metrics. **DCs, hubs, production facilities, and data centers.

SPOTLIGHT: PACKAGING

In partnership with our stores and vendors, we're increasing recycled, recyclable and responsibly-sourced materials throughout our packaging.

IN 2020, WE LAUNCHED a cross-functional team across our brands to improve the customer unboxing experience. With shared goals to reduce waste and create a consistent customer experience, we examined the entire value chain—from the vendor, to the brand, to retail store supply closets to the packing process in our distribution centers. To support our efforts and benchmark our progress, we joined the Sustainable Packaging Coalition.

VENDOR PACKAGING

We've made significant progress in vendor packaging. First and foremost, our goal is to ensure that the product reaches customers undamaged. Minimizing product damages reduces our environmental footprint and keeps waste out of landfills. Beyond that, our goals are to design packaging with more than 70% curbside-recyclable materials, utilizing more than 70% recycled or

responsibly sourced materials, such as FSC®-certified post-consumer recycled paper. We're also working with vendors to reduce packaging volume, using fewer materials to deliver packages more efficiently. Since 2017, we've reduced and eliminated 30M pounds of Styrofoam from our packaging.

BRAND & RETAIL PACKAGING

We're applying the same standards to our stores, where procuring more sustainable materials is a top priority. Store bags will now be FSC-certified and made of 40% post-consumer materials. We're also creating cross-brand sustainability standards for brand packaging, such as requiring post-consumer waste to be used for polybags, adding thresholds for minimum recycled content, and printing instructions for recycling on cross-brand packaging.

GOALS AND MILESTONES INCLUDE:

> 70%

Curbside recyclable materials in vendor packaging

> 70%

Recycled or responsibly sourced materials in vendor packaging

30M

Pounds of Styrofoam reduced and eliminated from packaging since 2017

SPOTLIGHT: CIRCULAR COLLECTIONS

Based on the success of 2020 product launches, we see vast potential in circularity across our brands. We're investing in technology, operations and reverse logistics to grow and scale our circular efforts.

POTTERY BARN RENEWED

In September 2020, we launched Pottery Barn Renewed. As the first major home retailer to partner with The Renewal Workshop, Pottery Barn is extending the life of its imperfect and returned textiles. The Renewal Workshop cleans and repairs each item, keeping it out of landfills and offering it to customers at a discounted price. Over 40% of inventory sold through the first week of launch, and the collection continues to generate press and new customers.

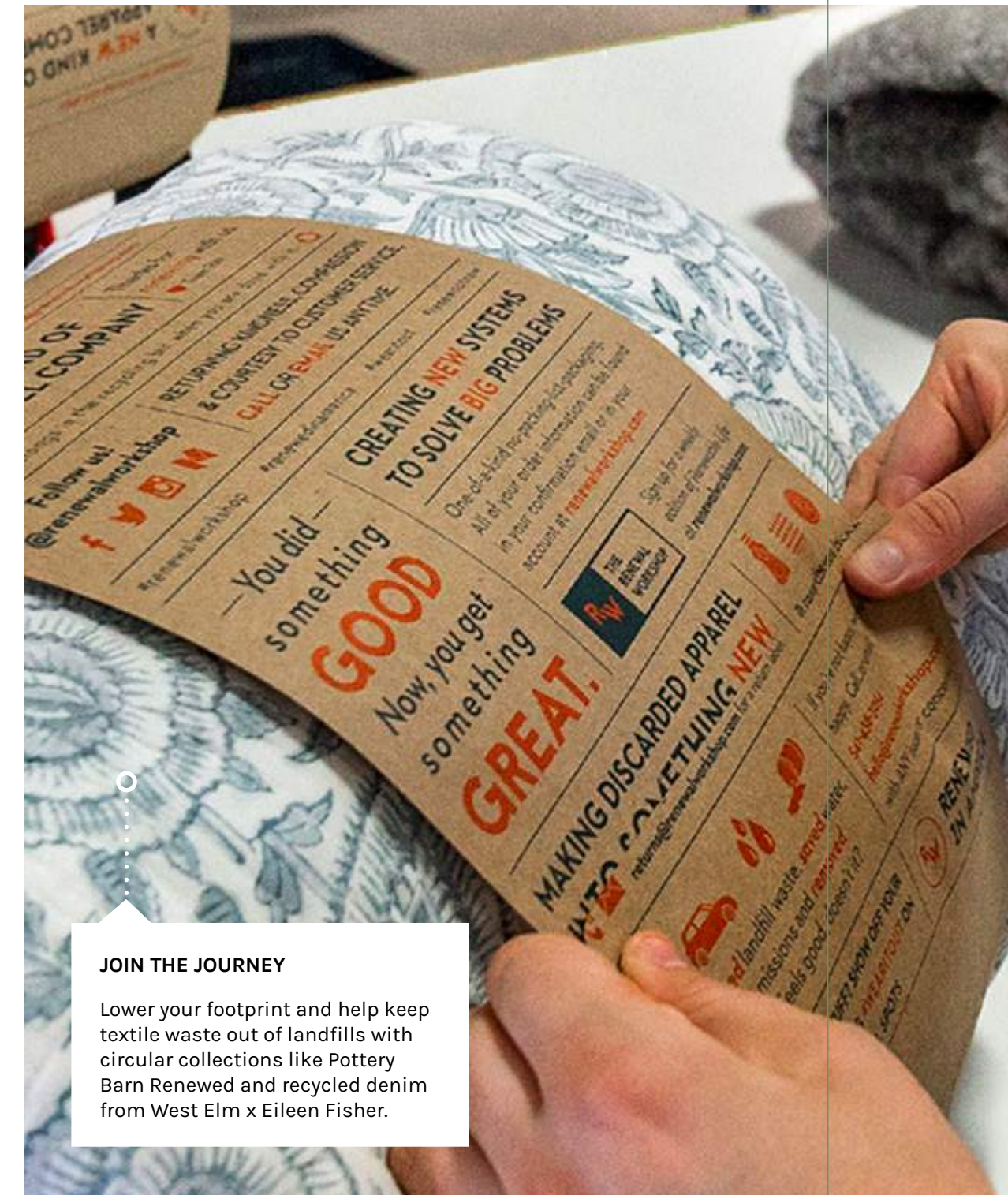
WEST ELM COLLABORATIONS

In August 2020, West Elm launched a limited-edition collection of pillows and upholstery in partnership with Eileen Fisher. The designer's Renew and Waste No More programs take back used clothes to give the garments new life, upending conventional consumer cycles. Applying Fisher's circular fashion approach to the home,

each West Elm piece was one-of-a-kind and felted from denim and other fabric scraps. West Elm also used fabric scraps from our own Sutter Street upholstery factory to create baskets in partnership with Southwest Creations Collaborative, a women-driven organization providing living wages and educational opportunities to low-income communities.

RETAIL STORE PILOTS

Across our retail stores, we're testing circular pilots. In the Northeast, we've partnered with white-glove resale site AptDeco to resell floor models and lightly damaged products, diverting them from landfills into homes. We're exploring other partners as well—using digital, direct-to-consumer resale sites to streamline the secondhand selling process.



JOIN THE JOURNEY

Lower your footprint and help keep textile waste out of landfills with circular collections like Pottery Barn Renewed and recycled denim from West Elm x Eileen Fisher.

SPOTLIGHT: CIRCULAR COLLECTIONS



POTTERY BARN RENEWED

As the first major home retailer to partner with The Renewal Workshop, Pottery Barn is restoring imperfect items and keeping them out of landfills.



WEST ELM X EILEEN FISHER

This limited-edition collection of pillows and upholstery brought recycled Eileen Fisher denim full circle for less waste and a longer product life cycle.



WEST ELM X SOUTHWEST CREATIONS

Designed by Diego Olivero and created in partnership with the women-driven Southwest Creations Collaborative, this basket repurposes fabrics from our Sutter Street upholstery factory.

People

Throughout the pandemic, we returned to our core values—taking care of our people, customers and communities. Store associates pivoted to e-commerce and customer care roles, factories relied on our worker wellbeing programs, and we ended 2020 a stronger company with renewed purpose.



ETHICAL PRODUCTION

We have a commitment to provide safe, fair and healthy working conditions to the workers in our supply chain. In 2020, we supported our suppliers and factory workers through the pandemic with heightened health and safety measures, worker wellbeing programs and training resources.

2020 HIGHLIGHTS:

426

3rd-party factory audits in 2020 to verify social & environmental compliance

89%

Of total WSI order volume covered in expanded 2020 audit scope

16

Fair Trade Certified™ factories in 5 countries, impacting over 13,000 workers





JOIN THE JOURNEY

When you shop Fair Trade Certified™ products, you're supporting fair and safe labor practices, improving livelihoods and empowering workers to invest in their communities.

ETHICAL PRODUCTION CONT.

IN 2020, WE CONTINUED to evolve our social compliance program to meet the needs of a changing world. We published our first enterprise-wide [Human Rights Policy](#), which guides our approach to safeguarding fundamental rights for all people across our value chain. We re-evaluated our risk and expanded our audit scope to cover a broader portion of products, ensuring that we keep pace with evolving risks. Our expanded scope covers 89% of our total volume, up from 68% last year, and we'll continue to expand our audit scope to cover more factories and products.

We also introduced an audit equivalency program in 2020 to incentivize top-performing factories, reduce audit fatigue and optimize resources. We conducted in-depth benchmarking to assess industry-standard reports—including [BSCI](#), [SMETA](#) and [SA 8000](#)—that can be submitted in lieu of our own audits. We're also adopting the [Social Labor and Convergence Program](#) (SLCP) assessment, an industry-wide data collection tool.

Through the pandemic, we continued to pilot health and safety training courses across four of our key sourcing countries. 63% of critical violations reported in 2020 were health and safety related, emphasizing the need for such focused trainings to support long-term improvement, and we're investing in further expansion in 2021. Additionally, in 2020, we implemented a third-party monitored grievance hotline, allowing workers across our supply chain to communicate concerns directly to WSI.

OPPORTUNITIES & RISKS

2020 clarified the risks within global supply chains and the advantages of strong risk management systems. We partner across the industry and our supplier base to address systemic challenges, evolve our program to meet shifting risks and continuously improve factory conditions. We also participate in industry movements like the SLCP, using data collection tools, verification methodology and guidance documents to inform our strategy. By leveraging new and emerging monitoring

tools, we ensure the fullest view into supply chain risk while using data and insights to drive decision making.

Increasingly, companies are required to be transparent about the risk of forced and bonded labor in supply chains. In countries with higher risk for forced and bonded labor, we expanded our existing audits, implementing a vendor declaration process to address increased scrutiny. Third-party certified materials also supplement our factory audit program. Looking forward, we're expanding our efforts to trace key materials, applying the same rigor and risk-based approach across all tiers of our supply chain.

RESPONDING TO COVID

Around the world, pandemic restrictions and national lockdowns disrupted the flow of materials, goods and manufacturing. Years of investment in supply chain transparency and resilience enabled us to meet the moment. The majority of our products are designed in-house and we operate in-country sourcing and compliance offices, enabling us greater oversight of our supply chain than many of our competitors.

When our teams couldn't visit factories due to COVID, we focused on capacity building, developing remote trainings and digital resources. For example, we created digital versions of local law refresher courses around topics such as forced and bonded labor and migrant workforces. Our nonprofit partners HERproject™ and VisionSpring adapted their wellbeing programs to provide COVID relief and support to workers—from delivering relief kits in Asia to training workers in South America on COVID prevention.

Through audits, we collected COVID-specific data, ensuring adequate prevention measures were in place. As new information became available, we shared best practices for health and safety. We also provided additional tolerance in audits, ensuring that factories weren't penalized for circumstances beyond their control.

SPOTLIGHT: COMPLIANCE & CONTINUOUS IMPROVEMENT

We apply a management-systems approach to performance and emphasize continuous improvement. Through long-term partnerships with suppliers, we've greatly improved audit grades over time. 91% of purchase-order volume in 2020 was in factories with A and B grades.

OUR SOCIAL COMPLIANCE AUDIT program focuses on providing safe, fair and healthy working conditions in factories. We believe in continuous improvement, and we combine auditing and capacity-building to help our suppliers achieve sustainable change. Our suppliers must comply with our [Vendor Code of Conduct](#) and Implementation Standards based on the International Labor Organization conventions and UN guiding principles. In 2020, we published our [Human Rights Policy](#), which guides our approach to safeguard fundamental rights for all people in our value chain. We have a strict zero-tolerance policy for any form of forced labor, child labor or discrimination.

OUR AUDIT PROCESS

We verify compliance using third-party auditors who conduct semi-announced audits at factories in high- and medium-risk

countries. Audited factories are assigned a social grade based on the number and severity of violations reported. Our best performing factories receive an A; our worst performing factories receive a D. We aim to reduce the number of D grade factories in our supply chain with a strong remediation program. Our in-country Corporate Social Responsibility teams oversee remediation and support factories on their improvement journey.

OUR APPROACH

We work with key factories on Corrective Action Plans to support and track remediation progress, building time-bound action plans and follow-up audits to prevent recurrence, and we invest in targeted supplier trainings. D grade factories that don't show improvement in 2 years are exited. Whenever possible, we support remediation.



AUDIT OVERVIEW:

91%

Of purchase order volume was in factories with A and B grades in 2020

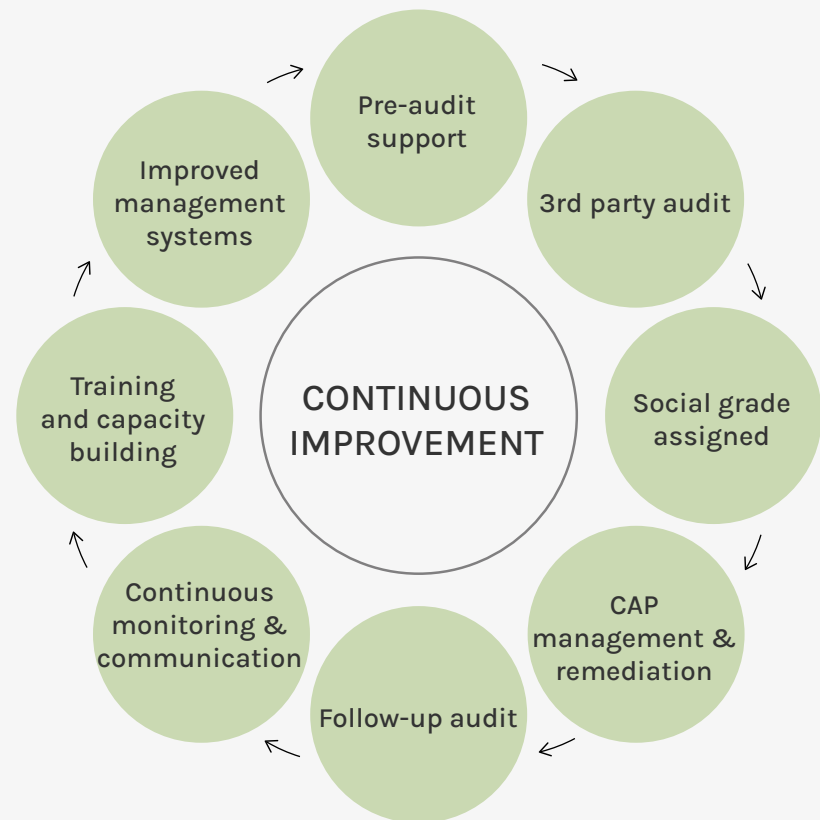
8%

Of purchase order volume was in factories with C grades in 2020

1%

Of purchase order volume was in factories with D grades in 2020

SPOTLIGHT: COMPLIANCE & CONTINUOUS IMPROVEMENT



SHIFT IN AUDIT GRADES OVER TIME BY ORDER VOLUME:

GRADE	A	B	C	D
FY2016	13%	38%	25%	24%
FY2017	20%	58%	12%	10%
FY2018	24%	63%	10%	3%
FY2019	29%	61%	8%	2%
FY2020	32%	59%	8%	1%

PRE-AUDIT Scheduling & Communication

Our dedicated social compliance team trains new vendors on our program, and annual audits are conducted during a 3-week, semi-announced window.

AUDIT Audit & Corrective Action Plan (CAP)

3rd-party external auditors conduct a 2-day, on-site audit. Factory receives a grade from A-D depending on the number and severity of violations. This grade is accompanied by a time-bound Corrective Action Plan (CAP).

POST-AUDIT CAP Remediation & Follow-Up

The factory works on its CAP with a dedicated social compliance professional during the allocated time frame (often a 3-6 month remediation process) and undergoes a follow-up audit to ensure closure of any open CAPs.

GRADE DEFINITION

A	Industry-leading vendor that consistently goes above and beyond expectations.
B	Strong vendor with minor opportunities for management systems improvements. Demonstrates a commitment to continuous improvement.
C	Significant opportunity to address management systems and oversight. Requires CAP and a follow-up audit within a specific time frame.
D	Critical, systemic issues impacting the majority of the workforce. Time-bound CAP, follow-up audits and business exit if no improvement is shown within a 2-year period.
ZERO TOLERANCE*	An unacceptable breach of our Code of Conduct. We evaluate next steps according to the severity of the finding and exit as appropriate.

* ZERO TOLERANCE VIOLATIONS are unacceptable breaches of human rights including, but not limited to: child labor; forced, bonded, trafficked and prison labor; any form of harassment and abuse; any form of discrimination; no right to bargain collectively or form and join trade unions; any attempt of bribery, corruption, fraud or unethical practices; WSI production at an unapproved factory.



NOTABLE MILESTONES:

100%

Of our Fair Trade Certified™ factories provided COVID relief to workers in 2020

14,000

Workers received eye exams in 2020 through VisionSpring, helping us exceed our goal to reach 100,000 people

3,600

Lives of handworkers improved by Nest Seal Eligibility, ensuring safe and ethical working conditions

WORKER WELLBEING

Despite the challenges of COVID-19, we exceeded our worker wellbeing goal, reaching over 100,000 people through education and empowerment programs.

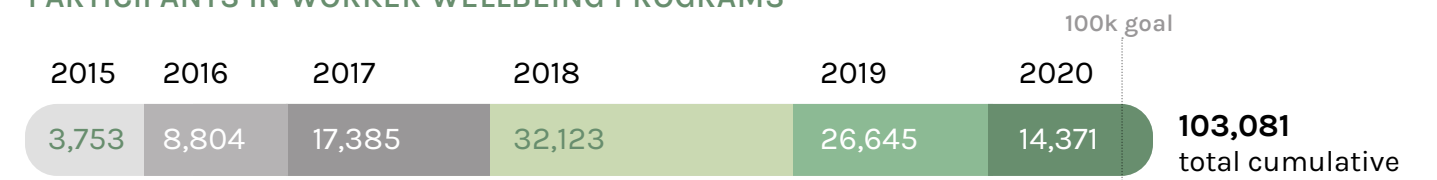
THROUGH THE PANDEMIC, our robust worker wellbeing programs have helped maintain the resiliency of our supply chain. 100% of our Fair Trade Certified™ factories used their Community Development Funds to provide COVID relief to workers. When factories were closed, they provided direct payments to support workers. Throughout 2020, they also distributed food, health supplies and PPE.

Our handcraft certification partner, Nest, continued to support artisans and small businesses. They shared learnings, provided grants and purchased artisan-made PPE to donate to frontline workers and vulnerable populations. In 2020, three new supply chains became eligible for the Nest Seal, ensuring safe and ethical conditions for an additional 1,100 workers, bringing the total number of artisans impacted to over 3,600.

Our training and empowerment partner, HERproject™, pivoted to develop HERessentials, a digital tablet-based learning program designed to help workers build resilience and new skills in the face of crisis. In the second half of 2020, we expanded VisionSpring vision screenings in Vietnam, providing eye exams to over 14,000 workers and eyewear to over 6,000. VisionSpring created rigorous safety protocols, providing handwashing stations and sanitizing all equipment between screenings. Through VisionSpring and HERproject, we met our goal of educating and empowering 100,000 workers by 2020.

Moving forward, we plan to deepen our impact through continued partnerships with Fair Trade, VisionSpring, HERproject and Nest. We've also set a new goal: 75% of our company-produced products will be made in a factory with a worker wellbeing program by 2030.

PARTICIPANTS IN WORKER WELLBEING PROGRAMS



CALCULATION & SCOPE: Participants who completed HERproject and VisionSpring worker wellbeing programs since 2015.

SPOTLIGHT: HERPROJECT™ & VISIONSPRING

“Through HERfinance™ training programs, I’ve learned how to budget, plan my family’s finances and save money. I’ve also been able to share these skills with my family, friends and community.”

— Meera, HERfinance Peer Educator

FOR THE PAST SEVEN YEARS, Williams-Sonoma, Inc. has partnered with BSR’s HERproject™ to provide health, financial literacy and gender equity training programs to over 63,000 workers in our supply chain as part of our goal to educate and empower 100,000 workers by 2020. Through partnership with HERproject and VisionSpring, we met that goal.

Women in global supply chains have the potential to be powerful agents for positive change in workplaces and in society. Through HERproject’s two training programs—HERhealth™ and HERfinance™—workers build confidence, knowledge, and self-esteem by using lessons learned to uplift their peers and families. After a HERfinance™ training at one factory in India, 100% of workers understood the importance of maintaining a daily budget and felt confident they could set and achieve their financial goals. At the end of the program, all workers reported that they had started saving for their future, including for their children’s education.

We’ve seen similar stories from our partnership with VisionSpring. Through VisionSpring, workers are given free vision screening services and provided glasses at no cost. These resources are crucial elements of care for weavers,

artisans, and anyone whose vision affects their ability to earn a living and support a family. In 2016, we became the first home retailer to partner with VisionSpring and since then we’ve screened over 38,000 workers in 4 countries. On average, over 50% have needed and received glasses, many for the first time in their lives.

Eyewear and exams allow workers to remain in the workforce longer, increasing their earning potential and ability to support their families. The impacts of clear vision go far beyond that, though. Across four factories in India, workers saw an 85% reduction in frustration and an 81% reduction in headaches and fatigue. Many workers said the biggest impact was on their daily lives outside of work—an increased ability and confidence to read, use their phones and help their children with their homework.

Seeing the impact these programs have on the lives of workers, we’re eager to expand them. By 2030, 75% of our company-produced products will be made in factories offering worker wellbeing programs. Through continued partnership with organizations like HERproject™ and VisionSpring, we can meaningfully invest in the people who make our products, increasing their access to economic opportunity, benefits and education.



TO DATE, OUR PARTNERSHIP WITH HERPROJECT™ HAS IMPACTED:

63,682
Workers

52
Factories

1,543
HERproject™
Peer Educators

5
Countries

SPOTLIGHT: FAIR TRADE COVID RESPONSE

Fair Trade factory workers decide how to invest their Community Development Funds. In 2020, 100% of them voted to provide workers with COVID relief.

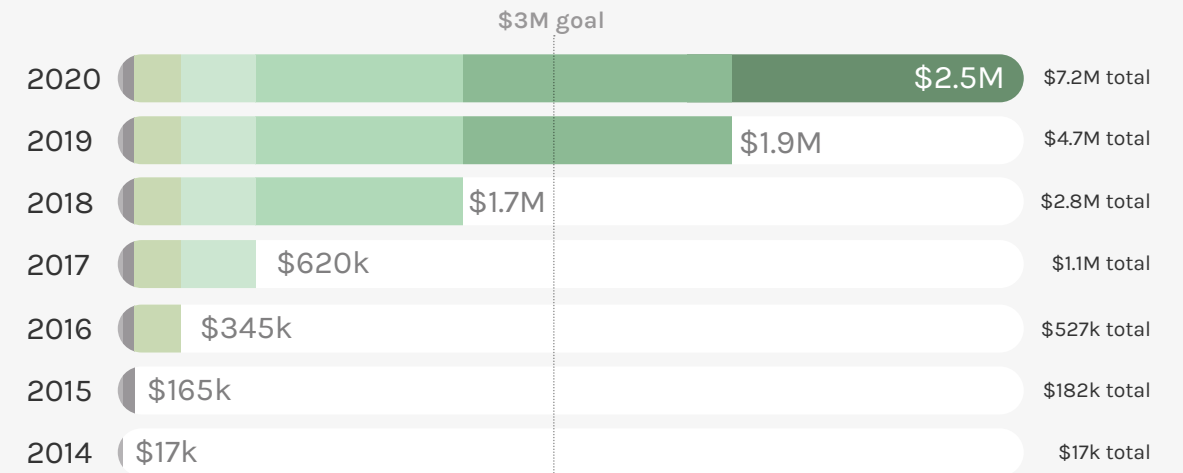
IN 2020, WE CELEBRATED SIX YEARS OF PARTNERSHIP with Fair Trade USA. We became the first home retailer to join them in 2014, when West Elm began working with one factory in India and about 200 workers to achieve Fair Trade Certification™. By the end of 2020, our family of brands had contributed over \$7 million in Fair Trade Premiums, impacting the lives of over 13,000 workers spread among 16 factories in five countries.

Throughout the pandemic, our best-in-class vendors and factories went above and beyond to prioritize their workers' health and safety while responding to the needs of their communities. In 100% of our Fair Trade Certified™ factories, premiums were used to ensure workers had access to food, protective gear and personal care products. Many of our vendors in Vietnam and India converted their production lines to produce sanitizers, face masks, medical protective suits and healthcare textiles.

Today's customers want brands to align with their values, and it's important to them that workers are treated fairly. Fair Trade's consumer research has shown that 58% of customers are "more likely to try products or services" from a brand that works with Fair Trade. Among millennials, that number jumps to 75% who agree that Fair Trade Certification is important in their decision to purchase an item.

Fair Trade Certification involves a rigorous, third-party process and a significant commitment of time and energy for our brands and vendors, but it leads to stronger relationships with suppliers, workers and customers. We're grateful to everyone who has purchased Fair Trade Certified™ products. Your choice makes a difference in the daily lives of workers.

PROGRESS TO 2020 GOAL OF \$3M IN PREMIUMS PAID TO WORKERS



CALCULATION & SCOPE: Cumulative total dollars paid as Fair Trade Premiums to our vendors since 2014.





INVESTING IN EMPLOYEES

When stores were closed due to COVID, we provided pay and benefits to associates working more than 12 hours weekly and reassigned hundreds of people from store roles to customer care and digital design services.

OUR COMPANY-WIDE mantra is [People First](#). On March 17, 2020, we made the decision to close stores across our brands and locations to help prevent the spread of COVID-19. For corporate associates, we implemented temporary work-from-home policies. Whenever possible, we reassigned associates whose work could not be done from home to other business-critical activities such as customer care and digital design services. These re-assignments enabled us to avoid associate layoffs or furloughs for associates working more than 12 hours weekly.

In distribution centers that remained open, we implemented strict safety protocols such as social distancing measures, enhanced sanitization, daily wellness checks and a supply of personal protective gear such as masks and gloves. We followed state guidelines to determine when to reopen stores and to monitor store capacity. Our top priority was health and safety for our associates and customers. Stores first opened for shopping by appointment, and they used a comprehensive reopening guide to implement new policies and procedures, including:

- Daily wellness checks and travel quarantine guidance

- Provision of PPE, hand sanitizer and cleaning supplies for all stores and associates
- Stationing a Wellness Ambassador at each store to manage customer traffic flow, monitor store traffic and limit customers based on store footprint
- Signage for customers to encourage social distancing including floor markers, directional traffic arrows and signage at each store entrance
- Implementation of curbside pickup wherever possible

For our associates company-wide, we provided continued telehealth support and employee assistance programs, special wellness resources and a dedicated associate hotline to provide real-time support during a very challenging time. For associates experiencing financial hardship due to COVID-19, we were able to provide relief by distributing over \$420k from the Williams-Sonoma, Inc. Foundation.

Our associates have shown true dedication and passion for the care of our teams and customers throughout the pandemic, and for that we're deeply grateful.

SPOTLIGHT: TRAINING & DEVELOPMENT

In 2020, we re-imagined our core training and development programs to engage associates virtually.

OUR TRAINING PROGRAMS develop talent at all levels of the company, supplying associates with new skills and giving them the tools they need to succeed. In 2020, as stores closed due to pandemic restrictions, we trained hundreds of employees across brands to staff our online design and customer chat services. By reassigning store associates to digital services, we upskilled team members and avoided furloughs wherever possible. We also launched new sustainability training programs for all corporate and store associates, engaging them in virtual sessions. We hosted learning sessions on gender identity, inclusion and understanding unconscious bias. BIPOC and LGBTQ+ thought leaders from organizations like the National Urban League joined these sessions to share their expertise.

We revamped our online learning portal (WSI University) to modernize the user interface and expand courses to retail associates. In 2020, we averaged over 2,800 course launches per month. These trainings helped to support our staff as we increased customer care, distribution and digital design service roles. We developed a SharePoint site to provide ongoing resources and engage associates digitally—and we'll build on the success of these programs to expand access in coming years.

We virtually re-imagined our company-wide Advisor Program, which matches associates in a Manager-and-

above role with non-managers to form advisor/advisee relationships. Over 400 associates participated across the organization, joining multiple virtual workshops and speaker series.

Managers faced unique challenges, leading a remote workforce and/or implementing heightened health and safety protocols throughout the pandemic. We provided toolkits to support them in the specifics of managing through COVID. Looking forward, we're focused on building out resources and trainings for new and existing managers, including a management essentials course that launches in 2021.

In 2020, our LEAD program—Leadership Education and Development—included 20 high-potential leaders from our Bay Area offices. Since its inception in 2012, it has been a participant-driven program in which the team designs their own curriculum. As in years past, the team developed and executed their own learning journey over nine months together, but this time they did so in a virtual environment.

Through our online learning portal and new Diversity, Equity & Inclusion content, we expanded access, giving people the opportunity to absorb new knowledge. By upskilling our associates, we help them create careers that can adapt to a rapidly changing workplace.



JOIN THE JOURNEY

If you used our digital design services in 2020, you helped us upskill and retain associates who may have otherwise been affected by store closures—thanks!

SPOTLIGHT: ASSOCIATE BENEFITS

This year, we raised our minimum wage, increased parental leave and provided associates with additional resources for health and wellness.

OUR CORPORATE VISION—to enhance our customers' quality of life at home—extends to the lives of our associates. To that end, we offer a benefits package designed to put our associates' health and well-being, and that of their families, at the forefront. Depending on position and location, associates may be eligible for:

- 401(k) plan and other investment opportunities
- Paid vacations, holidays and other time-off programs
- Health, dental and vision insurance
- Health and dependent care tax-free spending accounts
- Medical, family and bereavement leave
- Maternity/primary caregiver benefits
- Mothers' rooms and on-site showers
- Transgender-inclusive services
- Tax-free commuter benefits
- Bike-share program
- Company-sponsored walks and runs
- Wellness program including telehealth services
- Time off to volunteer and matching donations to qualifying nonprofit organizations

In July 2020, we increased our parental leave to 12 weeks of paid time off after the birth or adoption of a child under the age of 18 for primary caregivers, with 4 weeks of paid time off for secondary caregivers. We also increased our minimum wage to \$14 an hour and offered a holiday bonus of \$300-\$500 for all store associates.

In the midst of COVID, we increased our focus on health and wellness, using associate newsletters to make people aware of wellness offerings. Resources included continued telehealth support, Employee Assistance Program benefits and parental support for associates. In January 2021, we expanded our starting benefit packages, increasing paid time off by 1 week for associates who've worked for the company for 4 years or less. We also expanded our Associate Opinion Survey (AOS) this year to include sections on wellness and diversity. We'll use those responses to measure satisfaction and implement changes that matter most to our associates. In 2020, our executive leaders used AOS results to create action plans to directly address employee feedback and report regularly on progress to those plans.



DIVERSITY, EQUITY & INCLUSION

“We, as a company, made the commitment to work toward racial equity, recognizing that our actions ultimately matter most.”
— Laura Alber, CEO, Williams-Sonoma, Inc.

IN JUNE 2020, amid seismic shifts in the fight for racial justice across America, we established an Equity Action Plan and formed an Equity Action Committee to drive positive change. Led by our CEO, a diverse group of executives from across the company came together to oversee our Diversity, Equity and Inclusion initiatives. The plan outlines a set of actions, including:

- Philanthropic support and long-term partnerships with nonprofit organizations that advocate for racial justice and equity;
- Increasing Black representation across our company, and among our vendors, partners and collaborators; and
- Reinforcing an internal culture of inclusion and belonging.

Since the launch of our Equity Action Plan, we've dedicated time, talent and financial support to carry out its commitments. We've also extended the plan overseas, and all of our Williams-Sonoma Global Operations offices are donating to a nonprofit organization focused on social justice in their country. Acknowledging that our work has just begun, we've made the first steps towards progress.

PHILANTHROPY

We formed ongoing partnerships with three national nonprofit leaders: NAACP, National Urban League and Jackie Robinson Foundation. We've donated \$250,000 and have developed meaningful partnerships with each of these organizations.

Through our Local Community Involvement Fund, our associates also identified and built partnerships with over 20 community nonprofits across the country, like [CAMBA](#) in Brooklyn and the [Hidden Genius Project](#) in the Bay Area. From improving education to supporting community development projects, these organizations transform lives and communities.

REPRESENTATION

Our goal is to create diverse teams, and we've made progress in ensuring 100% of open positions have a diverse slate of candidates. Hiring of Black candidates has increased since we launched our Equity Action Plan. We've connected with over 180 organizations that specifically focus on reaching Black and other under-represented talent to expand our network and diversify our candidate pool. For example,

we've posted open positions on [blackjobs.com](#) and BRAG, and conducted virtual events at several Historically Black Colleges and Universities.

We reviewed and updated our job descriptions to reduce bias, and include information about our diversity, equity and inclusion initiatives. We also launched new interview processes including standardized questions and a new criteria feedback form.

CULTURE

We launched a speaker series for associates with events featuring Marc Morial, CEO of National Urban League and Marcus Samuelson, Top Chef and Restaurateur, among many others. Our Associate Networks continue to play an impactful role in creating a culture of belonging, including our Black Associate Network, Asian American Pacific Islander Network, Hispanic Heritage Group, Veterans Appreciation Group and VOICES—our LGBTQ+ Group.

SINCE LAUNCHING OUR EQUITY ACTION PLAN, WE'VE REACHED:

\$250K

In donations to the NAACP, National Urban League and Jackie Robinson Foundation

4%+

Increase in Black, Hispanic and Asian associates across our company

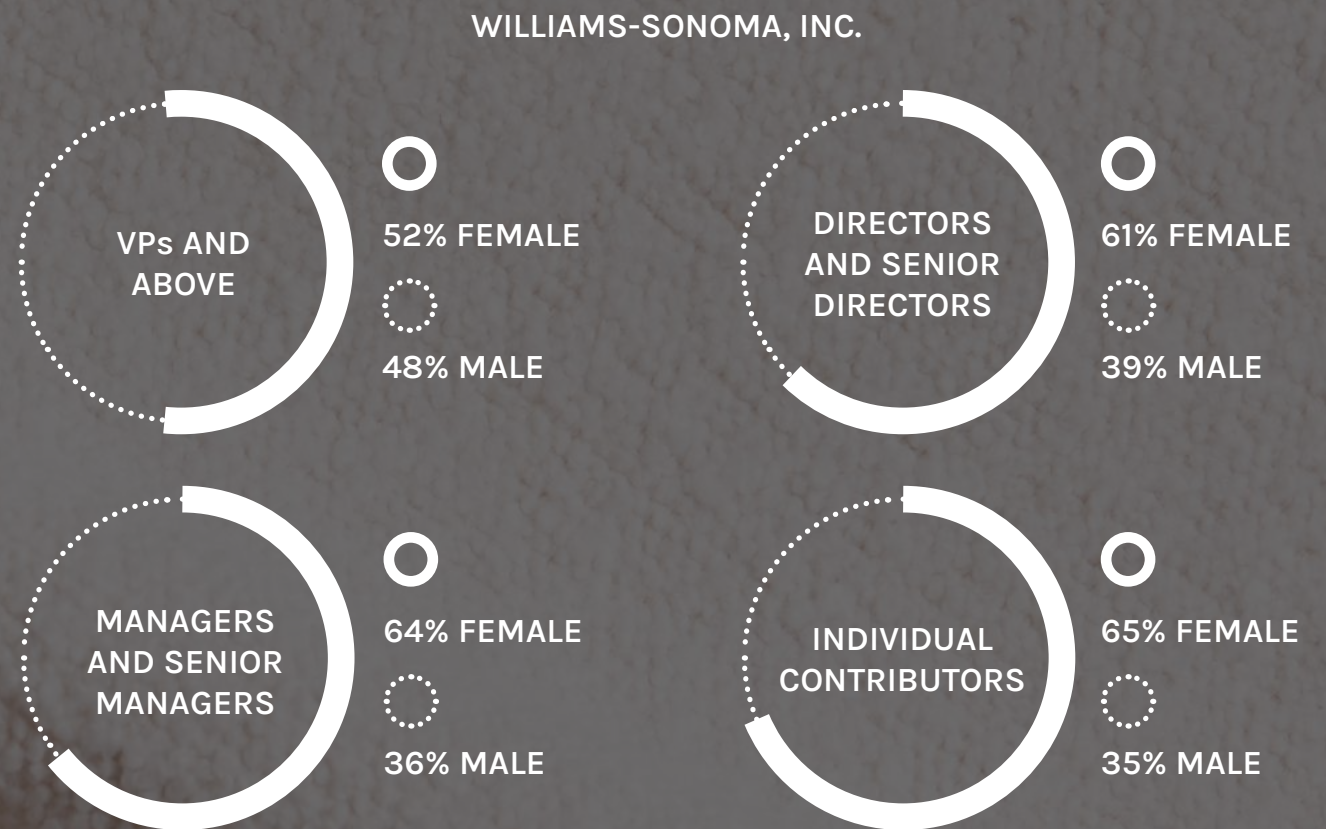
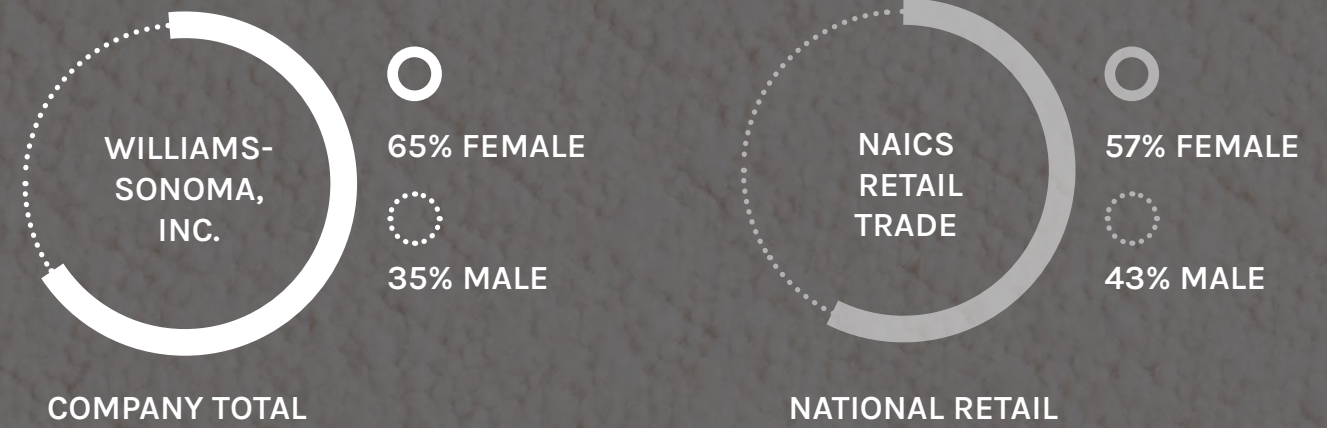
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Partnerships with community nonprofits focused on racial justice



GENDER REPRESENTATION

We maintain a balance of genders across the company, including strong representation of people who identify as women at all levels of the organization. We're committed to advancing equitable opportunities for women internally and externally with initiatives such as HERproject™, an advisor program and the celebration of International Women's Day.



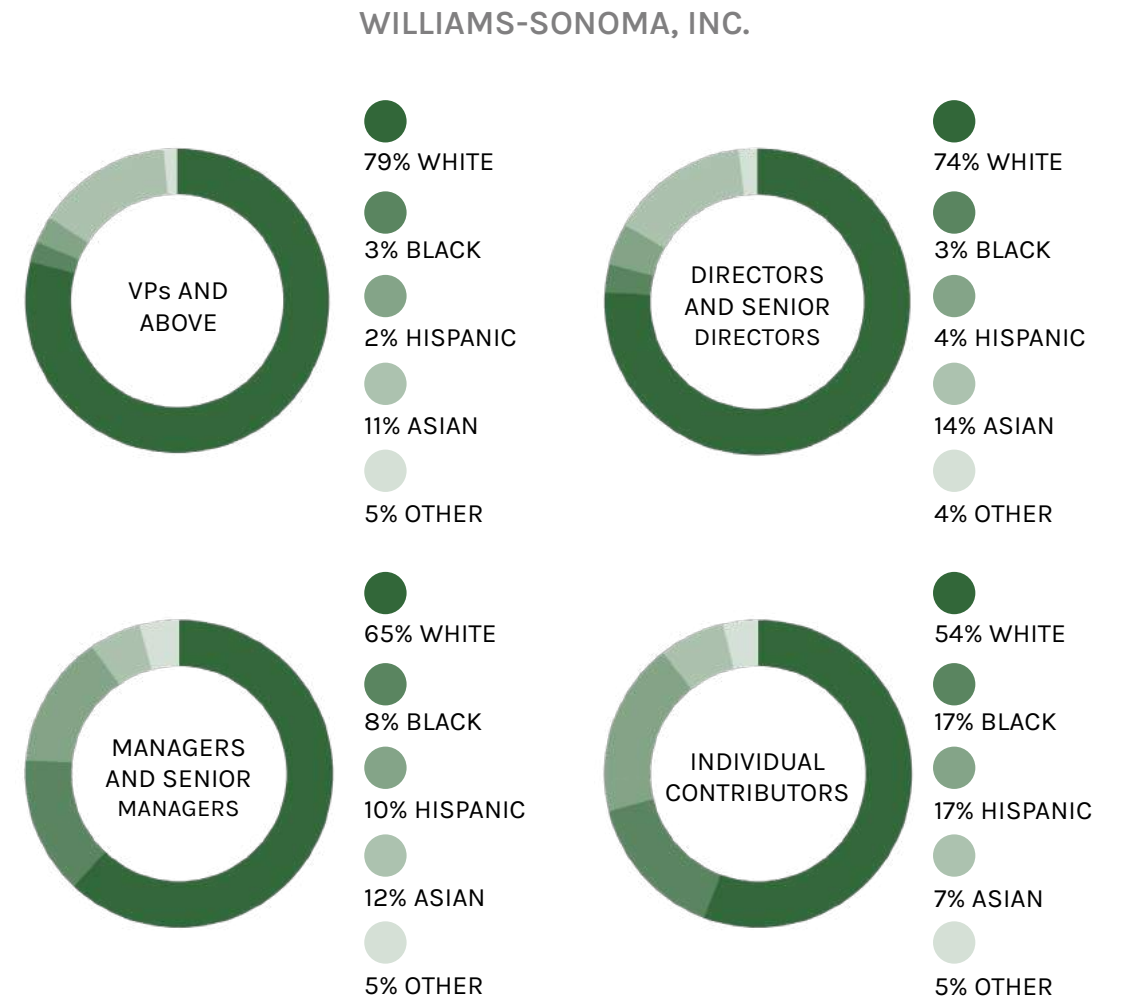
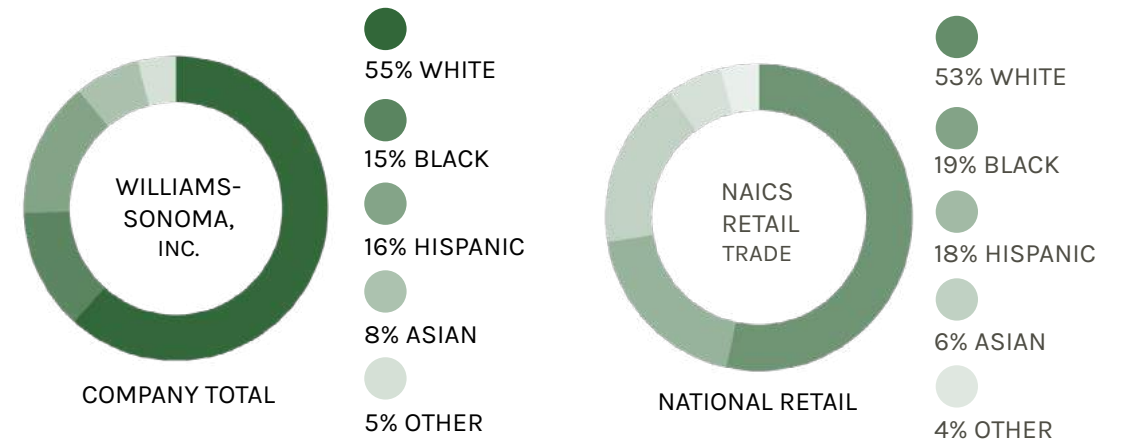
CALCULATION & SCOPE: Comparing statistics for Williams-Sonoma, Inc. US employees as of January 31, 2021 to the 2020 EEO-1 National Aggregate Report by NAICS-2 Code. Percentages exclude employees missing gender data.

ETHNICITY REPRESENTATION

We're committed to increasing representation and advancement of Black and Hispanic talent at all levels. Across our company, we grew our community of Black, Hispanic and Asian associates by over 4%.



Photo: Jackie Robinson Foundation.



CALCULATION & SCOPE: Comparing statistics for Williams-Sonoma, Inc. US employees as of January 31, 2021 to the 2020 EEO-1 National Aggregate Report by NAICS-2 Code. Percentages exclude employees missing ethnicity data.



SPOTLIGHT: BLACK-OWNED BUSINESS-

Across our brands, we're consciously increasing Black representation among vendors, partners and collaborators.

IN ADDITION TO diversifying talent company-wide, our brands are increasing partnerships with Black-owned businesses. West Elm has taken the [15% Pledge](#), founded by Aurora James to meet “the need for increased representation in the workforce and financial equality for Black-owned businesses.” In making the commitment, West Elm plans to:

- Increase collaborations with Black designers, artists, and Black-owned brands to a minimum of 15% of total
- Increase the share of Black makers and small businesses within West Elm LOCAL to a 15% minimum
- Increase the share of Black employees within West Elm's corporate workforce to a minimum of 15%, as well as strengthening the retail-to-corporate pipeline

For Martin Luther King, Jr. Day, the brand featured small [Black-owned businesses](#) and donated 50% of proceeds to the 15% Pledge.

Pottery Barn announced its partnership with the [Black Artists + Designers Guild](#) (BADG) and supported the organization's inaugural incubator project. In 2021, BADG launched the [Obsidian Experience](#), a virtual concept house “designed to invite new conversations about the space of home as a place of thriving for one million Black families.” To celebrate diversity and help promote healthy racial identity development in youth, Pottery Barn Kids is partnering with [Conscious Kid](#) to offer curated book bundles.

Williams Sonoma is highlighting the important work Black chefs are doing by featuring an online collection of cookbooks written by Black authors filled with recipes and stories about the diversity of the Black experience in the food industry and Black culture in America. We still have more work to do in bringing more Black- and minority-owned businesses to our shelves, sites and spaces, but these initiatives are laying the foundation for a more diverse community of creators, artists and businesses.

SPOTLIGHT: A CULTURE OF BELONGING

Since 2015, we've provided unconscious bias training. In 2019, we expanded the program and, in 2020, we updated it to focus on strategies for creating conscious inclusion.

WE FIRMLY BELIEVE that working in an inclusive culture spurs innovation, creates healthy and high-performing teams, and delivers a superior customer experience. To that end, we introduced new forums in 2020 to deepen our associates' learning about diversity, equity, race and bias while intentionally reinforcing our culture of inclusion.

These events have brought together individuals across teams in dialogue, opening up sometimes difficult, and always valuable, conversations. Since 2015, we've provided unconscious bias training for managers, and in 2019, we expanded this program across all field and store leadership. In 2020, we updated the content to focus on strategies for creating conscious inclusion, and we expanded the program to all corporate associates. Over 900 associates attended the training.

Our Black Associate Network continues to play an impactful role in creating a culture of belonging,

alongside our other associate networks and our Equity Action Committee. We established these community forums and networks to create safe spaces for associates to share experiences, seek support and learn from each other. In 2020, our associate affiliation groups grew to include:

- Black Associate Network
- Veterans Appreciation Group
- An LGBTQ+ Group Affiliation called "VOICES"
- Hispanic Heritage Group
- Asian American Pacific Islander Network

Reinforcing an internal culture of inclusion and belonging remains a core value and focus, and we'll continue to report on our progress in this report.



NOTABLE 2020-21 MILESTONES INCLUDE:

FORBES

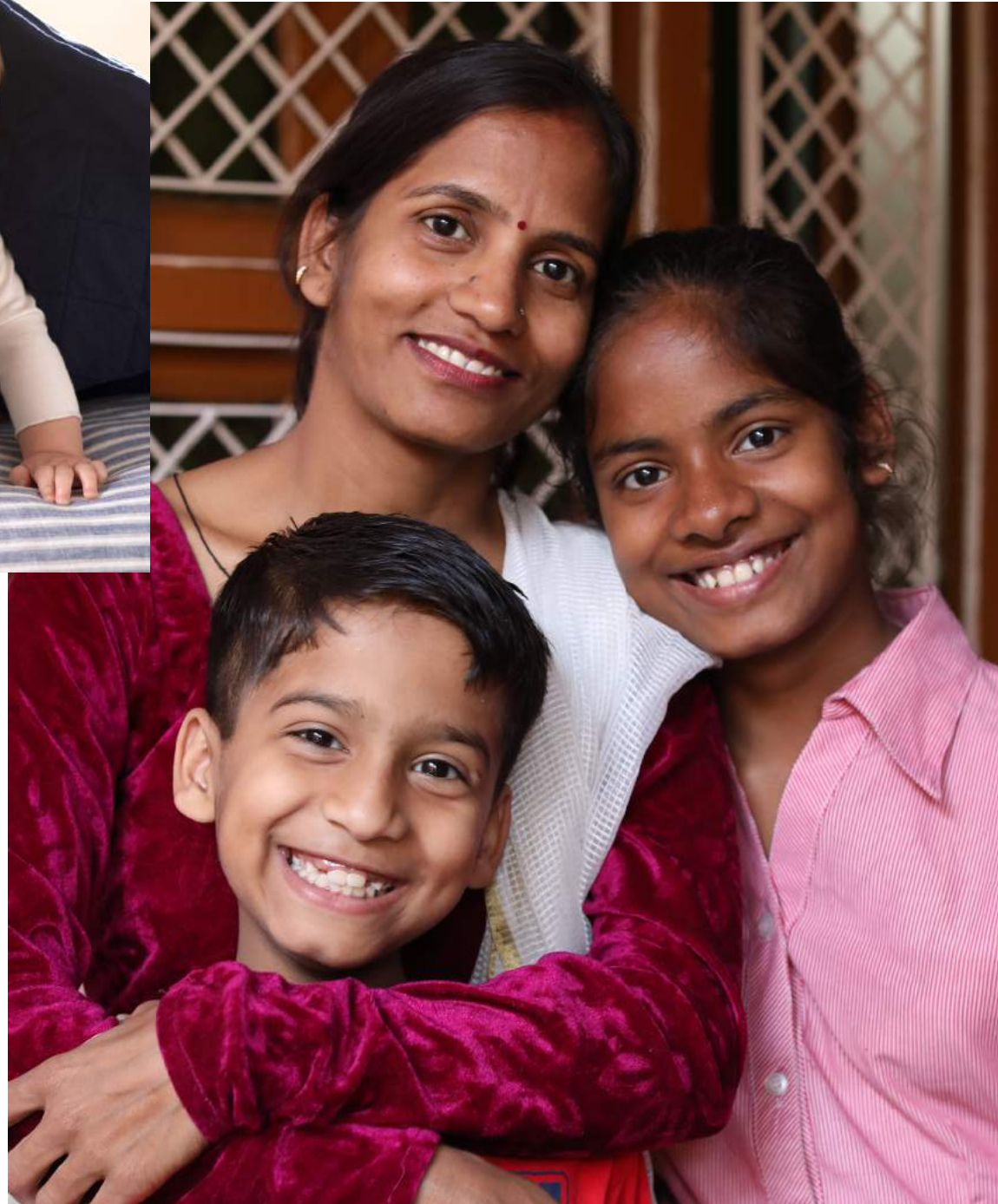
Best Employers for Women & Diversity

BLOOMBERG

Gender Equality Index

FORTUNE

Change the World List



Purpose

-

We are in a unique position to drive positive change in our industry, and we recognize the importance of deepening our sustainability initiatives in service of our associates, customers and communities.

ETHICS & OVERSIGHT

Every associate and supplier has a responsibility to act with the highest ethical standards and to treat other associates, vendors, customers, stockholders, governments and the communities in which we do business with honesty, respect and civility.

WE ARE COMMITTED TO MAINTAINING the highest level of integrity and honesty throughout its business. We have an enterprise-wide approach to ethics that is detailed in our [Code of Conduct](#), and we maintain a third-party ethics hotline across our offices, stores and factories that ensures confidentiality and transparency.

We safeguard our customers' personal information, utilizing external independent audits at least annually, and we comply with all applicable data protection and privacy laws, including the California Consumer Privacy Act. We also give customers the ability to opt out of information rental, sale or exchange with other marketers, and we honor their requests not to receive solicitations from our brands.

OPPORTUNITIES & RISKS

By modeling ethical behavior, we build and maintain trust with our associates, customers and communities. Our associates, as well as third parties who provide services on our behalf, are required by policy and practice to abide by our Code of Conduct, which stands against corruption in all its forms, including extortion and bribery. We conduct regular associate trainings on

the Foreign Corrupt Practices Act, Social Compliance, IT Security and Customs Compliance.

Since 2019, we've invested in an enterprise-wide refresh on our Code of Conduct awareness among our associates, and we've launched communications campaigns in major sourcing markets that present a high risk of corruption. Respectful Workplace training—including anti-harassment training—is mandatory for all U.S. associates.

We maintain trust with our customers by safeguarding their data using best practices and industry standards. Our Chief Technology Officer and Chief Information Security Officer are responsible for overseeing a data protection policy that governs all relevant businesses and subsidiaries, and is designed to limit the collection of personal information. We regularly review and enhance Standard Operating Procedures, policies and standards to reduce the threat and occurrence of data privacy incidents. However, in the event of a policy change or data breach, our policy requires that we notify data subjects in a timely manner.



GIVING & VOLUNTEERING

In 2020, we focused on relief for the most vulnerable, from schoolchildren who lost access to healthy meals to families coping with childhood cancer.

WE SUPPORT a range of causes that reflect the passion and dedication of our associates and resonate with our customers, allowing us to raise funds to support what we believe in. Through volunteering and community outreach, we give back to the communities where we work. We have contributed over \$85 million in corporate, customer and associate donations since 2017.

Our partners include organizations that promote and strengthen the wellbeing of children, women, families and LGBTQ+ communities, such as St. Jude Children's Research Hospital®, No Kid Hungry, AIDS Walk and Canada Children's Hospitals.

In 2020, as COVID closed schools and millions of children lost access to healthy meals, we mobilized a fundraising campaign for No Kid Hungry across our brands. Since March 21, 2020, we have raised over

\$2.8M through Pottery Barn, Pottery Barn Kids, Pottery Barn Teen, Williams Sonoma, West Elm, Rejuvenation and Mark and Graham.

We also supported organizations and partners like Good360 and Habitat for Humanity, who assist those whose homes have been damaged or lost. In 2020, we donated nearly 350k items—over 4.5M pounds of products—to local nonprofits. We also support communities through our associates' time and leadership, and we provide eight hours of paid Community Involvement Time each year. Due to COVID restrictions, in-person volunteering was limited, and we were unable to gather for annual traditions like our Martin Luther King, Jr. Day of Service. Instead, our associates put time and money towards cherished causes, breaking records for donations to No Kid Hungry and St. Jude Children's Research Hospital®.

GIVING & VOLUNTEERING

2020 saw an uptick in giving, with almost \$44M—driven primarily by product donations, as well as corporate, customer and associate donations.

TOTAL GIVEN & RAISED ANNUALLY



CALCULATION & SCOPE: Contributions through fundraising for a variety of causes, miscellaneous community giving, associate donations, shelter grants, product proceeds, matching gifts and in-kind donations.

HOURS VOLUNTEERED



CALCULATION & SCOPE: Total of non-store associate volunteering hours. In 2017, we began tracking volunteer hours through Bright Funds, capturing actual hours volunteered rather than estimated associate counts, and applied this methodology from 2017-2020.



JOIN THE JOURNEY

You can support organizations like St. Jude, No Kid Hungry and Habitat for Humanity by shopping goods that give back or donating directly through our sites.



SPOTLIGHT: ST. JUDE CHILDREN'S RESEARCH HOSPITAL®

In 2020, we raised \$5M for vital research and treatment to help increase the overall childhood cancer survival rate.

IN 2020, WE CELEBRATED 16 years of partnership with St. Jude Children's Research Hospital® and are proud to have participated once again in their Thanks and Giving campaign. We work every day to create a sense of home in people's lives, and this mission guides our giving strategy. St. Jude is committed to ensuring that no family will receive a bill from St. Jude for treatment, travel, housing or food—because all a family should worry about is helping their child live.

In 2020, we raised \$5 million for St. Jude during the Thanks and Giving campaign, nearly 40% more than last year and significantly exceeding our goal. This campaign included 593,000 donations from our customers at time of purchase, special St. Jude-designated product sales where a portion of the sale was donated, employee donations, and corporate donations. We're proud to have raised more than \$55 million during our 16-year partnership. These funds have been used to support vital research and treatment to help increase the overall childhood cancer survival rate from 20% to more than 80% since the hospital opened over 50 years ago.

The St. Jude Thanks and Giving campaign, created in 2004 by Marlo Thomas and her siblings Terre and Tony, children of St. Jude founder Danny Thomas, asks people to “give thanks for the healthy kids in your life, and give to those who are not” in order to help St. Jude continue its lifesaving mission.

“The kindness and compassion that our partners share year after year during the St. Jude Thanks and Giving campaign is truly invaluable,” said Marlo Thomas, national outreach director for St. Jude Children's Research Hospital. “This holiday season was like no other, but one thing remained certain, the outpouring of generosity from our St. Jude family. Our partners, their employees and customers continue to have big hearts for the children of St. Jude and their support helps ensure our doctors and researchers will continue their tireless work to end childhood cancer and other life-threatening diseases.”

Appendix

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We publish our progress against clearly defined targets, and we report to standards set by the UN Global Compact, CDP, Sustainability Accounting Standards Board and Task Force on Climate-Related Financial Disclosures.



APPENDIX

ESG Metrics: Responsible Materials

RESPONSIBLE WOOD	2012	2013	2014	2015	2016	2017	2018	2019	2020	YOY % change
FSC®/BEST	7%	11%	9%	7%	8%	8%	16%	18%	24.60%	35.91%
BETTER			13%	11%	9%	11%	9%	10%	8.90%	-13.76%
GOOD			22%	23%	26%	20%	17%	19%	31.00%	64.46%
TOTAL			44%	41%	43%	39%	43%	47%	64.5%	36.45%

CALCULATION & SCOPE: Tracked by Ecodesk reporting + SKU-level wood volumes from vendors. Percent of responsibly sourced wood in our furniture in cubic meters. Responsibly sourced wood is categorized through a Good-Better-Best approach: Best – Forest Stewardship Council® (FSC), Better – Programme for the Endorsement of Forest Certification (PEFC), Rediscovered wood (reclaimed/recycled and orchard wood sources), FSC® Controlled Wood, Good – verified legal and low-risk wood for legality (as defined by Preferred by Nature’s Timber Risk Assessments and FSC’s National Risk Assessments). Total reflects the volume of responsibly sourced wood as a percent of WSI’s total volume of wood.

RESPONSIBLE COTTON	2012	2013	2014	2015	2016	2017	2018	2019	2020	YOY % change
GOTS/ORGANIC BEST	11%	13%	9%	11%	9%	15%	16%	27%	30.6%	12.50%
OCS/RECYCLED BETTER			6%	4%	1%	1%	1%	4%	4.3%	7.50%
OEKO-TEX/BCI GOOD			8%	30%	32%	33%	52%	44%	53.7%	21.49%
TOTAL			23%	45%	42%	49%	69%	75%	88.6%	17.51%

CALCULATION & SCOPE: Tracked by vendor textile survey. Percent of responsibly sourced cotton used in our textiles in pounds. Responsibly sourced cotton is categorized through a Good-Better-Best approach: Best – Global Organic Textile Standard (GOTS), Better – Organic Content Standard (OCS) and recycled cotton, Good – Better Cotton Initiative™ (BCI) and STANDARD 100 by OEKO-TEX® certified products. Total reflects the volume of responsibly sourced cotton as a percent of WSI’s total volume of cotton.

APPENDIX

ESG Metrics: Carbon & Electricity Intensity

CARBON INTENSITY	2012	2013	2014	2015	2016	2017	2018	2019	2020	YOY % CHANGE
CO ₂ e (KG)	127,095,250	135,502,190	132,096,330	129,506,490	118,993,662	109,608,697	105,374,174	97,380,600	80,437,080	-17.40%
REVENUE	\$4,042,870,000	\$4,387,889,000	\$4,698,719,000	\$4,976,090,000	\$5,083,812,000	\$5,292,359,000	\$5,671,593,000	\$5,898,008,000	\$6,783,189,000	15.01%
CO ₂ e (KG)/REVENUE	0.031	0.031	0.028	0.026	0.023	0.021	0.019	0.017	0.012	-28.18%

CALCULATION & SCOPE: Data aggregated by NUS and manual data collection. 2019-20 emissions calculations performed by Point380. Point380 calculation added radiative forcing factors in 2019. Greenhouse gas emissions (GHG) in kilograms per dollars of revenue. Emissions include Scope 1 (direct GHG emissions from fuel consumption), Scope 2 (indirect GHG emissions from purchased electricity, heat and steam) and partial Scope 3 (emissions from business travel). Emissions from stores, data centers, outsourced data services, distribution centers, in-sourced hubs, call centers, corporate offices and owned and leased vehicles is included.

ELECTRICITY INTENSITY	2012	2013	2014	2015	2016	2017	2018	2019	2020	YOY % CHANGE
kWh	224,530,960	227,792,690	232,994,330	235,938,060	231,318,642	227,397,750	205,080,045	191,756,836	174,469,471	-9.02%
SQFT	13,141,600	13,883,439	14,699,793	15,531,495	17,060,388	16,925,882	17,112,188	17,686,430	18,225,953	3.05%
kWh/SQFT	17.09	16.41	15.85	15.19	13.56	13.43	11.98	10.84	9.57	-11.71%

CALCULATION & SCOPE: Data aggregated by NUS, manual data collection and WSI Real Estate. 2019-20 electricity intensity calculations performed by Point380. Electricity consumed in kilowatt hours (kWh) per square foot of real estate annually. Consumption for stores, data centers, outsourced data services, distribution centers, in-sourced hubs, call centers, owned production facilities and corporate offices included. Real estate square footage is an annual average.

APPENDIX

ESG Metrics: GHG Emissions

SCOPE 1 EMISSIONS	GRAND TOTAL (MT)	SCOPE 2 EMISSIONS	GRAND TOTAL (MT)	SCOPE 1&2 EMISSIONS	GRAND TOTAL (MT)
2017	14,581	2017	90,595	2017	105,176
2018	14,990	2018	87,335	2018	102,324
2019	16,692	2019	75,646	2019	92,338
2020	12,906	2020	64,199	2020	77,105
OFFICES: SCOPE 1 & 2 EMISSIONS	GRAND TOTAL (MT)	DCs/HUBS*: SCOPE 1 & 2 EMISSIONS	GRAND TOTAL (MT)	RETAIL: SCOPE 1 & 2 EMISSIONS	GRAND TOTAL (MT)
2017	6,929	2017	30,466	2017	36,384
2018	5,919	2018	38,111	2018	58,294
2019	5,592	2019	34,841	2019	51,905
2020	4,445	2020	26,851	2020	45,809
AMERICAS: SCOPE 1&2 EMISSIONS	GRAND TOTAL (MT)	ASIA PACIFIC: SCOPE 1&2 EMISSIONS	GRAND TOTAL (MT)	EUROPE: SCOPE 1&2 EMISSIONS	GRAND TOTAL (MT)
2017	100,707	2017	4,317	2017	153
2018	99,232	2018	2,845	2018	247
2019	88,839	2019	3,064	2019	435
2020	73,913	2020	2,861	2020	331

CALCULATION & SCOPE: Aggregated by NUS and manual data collection. 2019-20 emissions calculations performed by Point380. Point380 calculation added radiative forcing factors in 2019. Greenhouse gas emissions include Scope 1 (direct GHG emissions from fuel consumption) and Scope 2 (indirect GHG emissions from purchased electricity, heat and steam). Emissions from stores, data centers, outsourced data services, distribution centers, in-sourced hubs, call centers, corporate offices and owned and leased vehicles is included. *DCs, hubs, production facilities, and data centers.

APPENDIX

ESG Metrics: Landfill Diversion

DIVERSION RATE	2017	2018	2019	2020	YOY % CHANGE
RECYCLING (MT)	26,618	28,246	32,036	36,993	15%
LANDFILL (MT)	31,613	32,453	33,296	38,333	15%
DIVERTED (WASTE TOTAL)	46%	47%	49%	49%	0%

CALCULATION & SCOPE: Calculated since 2017 by Rubicon annual tonnage report, WSI DC monthly report and manual data collection. Percent of recycled and composted volume diverted from landfill in tons. Scope includes distribution centers, in-sourced hubs, corporate offices and retail stores in North America. In 2016, EPA's factor for waste changed from 225 pounds per yard to 138. The new factor was applied in 2017-2020.

WASTE TOTAL (MT)	RECYCLING	LANDFILL	TOTAL	DIVERSION RATE
2017	26,618	31,613	58,232	46%
2018	28,246	32,453	60,699	47%
2019	32,036	33,296	65,333	49%
2020	36,993	38,333	75,326	49%

OFFICE TOTAL (MT)	RECYCLING	LANDFILL	TOTAL	DIVERSION RATE
2017	861	215	1,076	80%
2018	570	348	918	62%
2019	554	454	1,008	55%
2020	517	718	1,235	42%

DCs/HUBS TOTAL (MT)	RECYCLING	LANDFILL	TOTAL	DIVERSION RATE
2017	13,245	9,945	23,190	57%
2018	13,580	10,606	24,186	56%
2019	13,776	10,975	24,752	56%
2020	20,287	13,866	34,154	59%

STORES TOTAL (MT)	RECYCLING	LANDFILL	TOTAL	DIVERSION RATE
2017	12,512	21,454	33,966	37%
2018	14,096	21,499	35,595	40%
2019	17,706	21,867	39,573	45%
2020	16,189	23,749	39,938	41%

APPENDIX

ESG Metrics: Fair Trade, FSC® Paper, Giving & Volunteering

FAIR TRADE	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL CUMULATIVE
PREMIUMS PAID SINCE 2014	-	-	\$16,776	\$165,169	\$344,754	\$620,342	\$1,711,910	\$1,857,172	\$2,526,856	\$7,245,461

CALCULATION & SCOPE: Total dollars paid as Fair Trade Premiums to our vendors since 2014.

FSC® PAPER	2012	2013	2014	2015	2016	2017	2018	2019	2020	YOY % CHANGE
FSC-CERTIFIED CATALOG PAPER	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%

CALCULATION & SCOPE: Percent of FSC-certified paper in our catalogs in number of pages circulated.

GIVING	2012	2013	2014	2015	2016	2017	2018	2019	2020	YOY % CHANGE
TOTAL GIVEN & RAISED	\$8,656,697	\$7,985,510	\$7,876,944	\$7,896,079	\$8,810,785	\$10,597,152	\$11,232,861	\$20,048,087	\$43,629,597	118%

CALCULATION & SCOPE: Contributions through fundraising for causes, miscellaneous community giving, associate donations, shelter grants, product proceeds, matching gifts and in-kind donations.

VOLUNTEERING	2012	2013	2014	2015	2016	2017	2018	2019	2020	YOY % CHANGE
TOTAL HOURS	2,800	3,000	3,200	4,300	11,045	9,280	9,843	9,997	4,244	-57.55%

CALCULATION & SCOPE: Total of non-store associate volunteering hours.

APPENDIX

Gender Representation

WSI CORPORATE TOTAL	2019	2020	YOY% Change
Male	31.77%	34.84%	3.07%
Female	68.23%	65.16%	-3.07%

VPS & ABOVE	2019	2020	YOY% Change
Male	48.19%	48.19%	0.0%
Female	51.81%	51.81%	0.0%

DIRECTORS & SENIOR DIRECTORS	2019	2020	YOY% Change
Male	37.17%	38.55%	1.37%
Female	62.83%	61.45%	-1.37%

MANAGERS & SENIOR MANAGERS	2019	2020	YOY% Change
Male	36.11%	35.58%	-0.54%
Female	63.89%	64.42%	0.54%

INDIVIDUAL CONTRIBUTORS	2019	2020	YOY% Change
Male	31.12%	34.51%	3.39%
Female	68.88%	65.49%	-3.39%

APPENDIX

Ethnicity Representation

WSI TOTAL	2019	2020	YOY% Change
White	61.01%	55.88%	-5.13%
Black	12.59%	15.44%	2.85%
Hispanic	14.90%	16.03%	1.12%
Asian	7.01%	8.02%	1.01%
Other	4.49%	4.64%	0.16%

VPS & ABOVE	2019	2020	YOY% Change
White	79.29%	79.43%	0.15%
Black	2.14%	2.84%	0.69%
Hispanic	2.14%	2.13%	-0.02%
Asian	12.14%	10.64%	-1.50%
Other	4.29%	4.96%	0.68%

DIRECTORS & SENIOR DIRECTORS	2019	2020	YOY% Change
White	74.40%	73.63%	-0.76%
Black	2.90%	3.48%	0.58%
Hispanic	3.86%	3.98%	0.12%
Asian	14.49%	14.43%	-0.06%
Other	4.35%	4.48%	0.13%

MANAGERS & SENIOR MANAGERS	2019	2020	YOY% Change
White	66.14%	65.05%	-1.09%
Black	7.24%	8.06%	0.82%
Hispanic	9.32%	10.20%	0.88%
Asian	12.46%	11.56%	-0.91%
Other	4.83%	5.13%	0.30%

INDIVIDUAL CONTRIBUTORS	2019	2020	YOY% Change
White	60.23%	53.92%	-6.31%
Black	13.29%	16.90%	3.61%
Hispanic	15.66%	17.27%	1.61%
Asian	6.37%	7.34%	0.98%
Other	4.46%	4.57%	0.11%


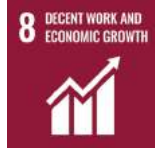



APPENDIX

ESG Disclosures: U.N. Sustainable Development Goals

SDG	UNITED NATIONS TARGET	NO.	DESCRIPTION	REFERENCES
	By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.	1.5	We work with Fair Trade USA® and HERproject™ to lift people out of poverty through fair wages and financial literacy education. In 2020, we mobilized funds to provide COVID relief to workers around the world.	Pgs. 32-39 Ethical Production Worker Wellbeing
	By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, to safe, nutritious and sufficient food all year round.	2.1	In 2020, we raised over \$2.8M for No Kid Hungry, an organization working to end child hunger in America by ensuring that all children have access to healthy food.	Pgs. 50-51 COVID-19 Response
	By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	3.9	We support healthy workers and families through lower-emissions products and supply chain health partnerships with HERproject and VisionSpring.	Pgs. 20-26 Pgs. 32-39 Responsible Materials Product Safety & Testing Worker Wellbeing
	By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for human rights, gender equality, global citizenship and appreciation of cultural diversity.	4.7	By the end of 2020, we exceeded our goal to educate and empower 100k workers through training programs in health, financial literacy and gender equality. We also provide training and development for our associates.	Pgs. 32-47 Worker Wellbeing Investing in Employees
	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.	5.5	We're proud that over 50% of our executive positions at the VP level and above are occupied by women, and 50% of our board members are women.	Pg. 8 Pgs. 40-47 Diversity & Inclusion Worker Wellbeing
	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	6.3	Access to water and sanitation is a human right. We will be sourcing 100% responsible cotton by the end of 2021, reducing harmful chemicals in waterways.	Pgs. 20-26 Responsible Materials Product Safety & Testing







APPENDIX

ESG Disclosures: U.N. Sustainable Development Goals (Cont.)

SDG	UNITED NATIONS TARGET	NO.	DESCRIPTION	REFERENCES
	By 2030, increase substantially the share of renewable energy in the global energy mix and double the global rate of improvement in energy efficiency.	7.2 7.3	We've saved energy and reduced carbon emissions year-over-year since 2011, despite revenue increases. We also set a Science-Based Target aligned with the Paris Agreement, in which we're increasing energy efficiency and renewables across our operations.	Pgs. 12-26 CDP Disclosure Science-Based Target Climate & Energy Strategy
	Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms. Protect labor rights and promote safe and secure working environments for all workers.	8.7 8.8	Our social compliance program is based on the conventions of the International Labor Organization and the UN's Guiding Principles on Business and Human Rights, and we are committed to doing our part to eradicate human trafficking, child labor and forced labor in our global product supply chains. We work with Fair Trade USA® to create healthy and safe working conditions, with additional income for supply chain workers.	Pgs. 32-39 Ethical Production Worker Wellbeing Social Compliance Supply Chain Labor Practices
	Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.	9.3	Our small business programs – including West Elm LOCAL, Williams Sonoma's Artisan Makers and Rejuvenation's Designer & Maker programs – connect local makers and designers to a larger pool of resources, customers and markets. In 2020, we focused on increasing representation of Black-owned small businesses.	Pg. 46 West Elm LOCAL Williams Sonoma Artisan Makers Rejuvenation Designers & Makers
	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	10.2	Equality is a cornerstone of our business, and we deepened our commitments to a diverse workforce in 2020. We took significant steps toward racial equity, outlined in our Equity Action Plan, and we increased diverse hires across our company.	Pgs. 40-47 Diversity & Inclusion Equity Action Plan
	By 2030, significantly reduce the number of people affected and substantially decrease the direct economic losses caused by disasters, with a focus on protecting the poor and people in vulnerable situations.	11.5	We work every day to create a sense of home in people's lives, and this mission guides our giving and volunteering strategy. Partnering with Good360 and Habitat for Humanity, we offer aid and assistance to those whose homes have been damaged or lost.	Pg. 27 Pgs. 50-52 Giving & Volunteering

APPENDIX

ESG Disclosures: U.N. Sustainable Development Goals (Cont.)

SDG	UNITED NATIONS TARGET	NO.	DESCRIPTION	REFERENCES
	By 2030, achieve the sustainable management and efficient use of natural resources. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	12.2 12.6	We've set ambitious goals prioritizing responsible materials alongside sustainable operations, including commitments to 100% responsibly sourced cotton (in progress), 50% responsibly sourced wood by 2021 (already exceeded) and 100% GREENGUARD Certified company-produced bedroom and nursery furniture at Pottery Barn Kids by 2020 (met).	Pgs. 20-26 Responsible Materials CDP Disclosure Science-Based Target
	Integrate climate change measures into policies, strategies and planning. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	13.1 13.2	We've committed to 75% landfill diversion by 2021, using resources wisely to reduce the waste, energy and water footprint of our products and operations. We also calculated our full Scope 3 footprint and used it to set a Science-Based Target, aligned with the Paris Agreement, across our complete value chain.	Pgs. 12-31 CDP Disclosure Science-Based Target Waste & Circularity
	By 2025, prevent and significantly reduce marine pollution of all kinds, particularly from land-based activities, including marine debris and nutrient pollution.	14.1	Through use of REPREVE® certified recycled plastic fibers, we've kept 66 million plastic bottles from polluting oceans. We will also be sourcing 100% responsible cotton by the end of 2021, reducing harmful chemicals in waterways.	Pgs. 20-26 Responsible Materials Product Safety & Testing REPREVE®
	By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.	15.2	To conserve forests, we work with the Forest Stewardship Council® to certify 100% of our catalog paper and a growing percentage of wood furniture. We've already exceeded our goal to source 50% responsible wood by 2021.	Pgs. 20-26 Responsible Materials Wood & Paper Procurement Policy
	End abuse, exploitation, trafficking and all forms of violence and torture against children.	16.2	Our rigorous social compliance and audit programs are committed to eradicating human trafficking, child labor and forced labor in our global product supply chains.	Pgs. 32-39 Ethical Production Worker Wellbeing Social Compliance Supply Chain Labor Practices
	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	17.17	We partner with NGOs, third-party certifiers and field-level sustainability standards to verify sustainability claims on select products and practices, sharing knowledge, resources and driving sustainable business.	Pg. 26 Supporting Our Sustainability Claims Responsible Materials

APPENDIX

ESG Disclosures: SASB Multi-line and Specialty Retailers & Distributors



TOPIC	ACCOUNTING METRIC	SASB	DESCRIPTION	REFERENCES
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1	Total energy consumed: 802,556 GJ Total percent grid electricity: 81% Total percent from renewable sources: 0%	Pgs. 12-26 CDP Disclosure Science-Based Target Climate & Energy Strategy
	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	With the rapid growth of technology in our lives, we are dedicated to safeguarding our customers' personal information and prioritizing cybersecurity. This commitment is reflected in our governance structure; our data security policies and procedures; and our systems to measure, monitor, and respond to data breaches and cyberattacks.	Pg. 49 Cybersecurity & Data Privacy WSI Privacy Policy Annual Report, Pg. 11: Risk & Oversight
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	CG-MR-230a.2	Our associates at Williams-Sonoma, Inc., as well as third parties who provide services on our behalf, are required by policy, practice, and contract, if applicable, to treat customer information with care. Our policies and standards are reinforced by training and engagement to ensure that the privacy and security of our customers is central. WSI discloses this information in accordance with the SEC's Commission Statement and Guidance on Public Company Cybersecurity Disclosures.	Pg. 49 Cybersecurity & Data Privacy WSI Privacy Policy Annual Report, Pg. 11: Risk & Oversight
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1	We are proud to continue to invest in our associates through several initiatives announced in 2020, including increased minimum wage for our hourly associates (now \$14/hour), increased parental leave, and additional resources for health and wellness. We actively track and report on labor practices, including involuntary and voluntary turnover, internally on a regular basis. We conduct regular trainings to all associates on creating a safe and respectful workplace. When stores were closed due to COVID, we provided pay and benefits to associates working more than 12 hours weekly and reassigned hundreds of people from store roles to customer care and digital design services. These commitments to our associates earned us a spot of Fortune's 2020 Change the World list. See references for partial reporting.	Pgs. 40-42 Investing in Employees Social Compliance Human Rights Health & Safety Investing in Employees
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	CG-MR-310a.2		
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-310a.3		

APPENDIX

ESG Disclosures: SASB Continued



TOPIC	ACCOUNTING METRIC	SASB	DESCRIPTION	REFERENCES
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	Williams-Sonoma, Inc. is a member of CEO Action for Diversity & Inclusion, was listed in the 2021 Bloomberg Gender-Equality Index, and ranks among Forbes' Best Employers for Women (2019-20) and Forbes' Best Employers for Diversity (2020-21). We're committed to increasing representation and advancement of Black and Hispanic Talent at the Manager-and-above levels. Across our company, we grew our community of Black, Asian and Hispanic associates by over 4% in 2020. See references for reporting and data.	Pgs. 44-45 YE 2020 Pgs. 59-60 YE 2020 Pgs. 29-30 YE 2019 Diversity & Inclusion
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2	Williams-Sonoma, Inc. provides equal opportunity for all employees and no employee may be discriminated against due to race, color, religion, gender, gender identity, gender expression, sexual orientation, ancestry, national origin, age, marital or veteran status, or disability. See references for partial reporting.	Pgs. 44-45 YE 2020 Pgs. 59-60 YE 2020 Pgs. 29-30 YE 2019 Diversity & Inclusion
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	CG-MR-410a.1	YE 2020 38.9% of our cross-brand net sales was from product* certified by third-party social and environmental standards, with an additional 2.2% from our internally verified recycled declaration process. See references for reporting. *U.S. & Canada, excludes drop-ship products.	Pg. 26 YE 2020 Pg. 34 YE 2019 Ethical Marketing
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2	All of the products we sell are required to meet national and state laws for restricted substances and emissions, and we invest in meeting and exceeding these standards throughout the WSI value chain—from design to production to testing. We have a worldwide team of product quality professionals and subject matter experts that support our global sourcing offices and vendor base, setting clear standards around restricted substances and emissions. We also have a network of quality assurance professionals and on-the-ground experts who work directly with our vendor base to establish clear product reviews, develop testing protocols and implement routine inspections. We operate in-country labs in our major sourcing regions to inform product development. Our products are tested at either one of our WSI in-country labs or by independent, third-party labs certified by the U.S. Consumer Product Safety Commission (CPSC). Whenever and wherever we can, we're introducing new third-party certified products across all our brands, such as GREENGUARD and GOTS Organic. Going beyond many national and state laws, expert organizations oversee these certifications, conducting reviews to verify the safety, quality and sustainability of select products. See references for reporting.	Pgs. 20-26 Responsible Materials Product Safety & Testing
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	In 2020 we convened a working group across all packaging touch points—from vendors, to brands, to retail and distribution centers—to align and drive forward our sustainability standards. Our global team of packaging engineers continued to reduce the amount of EPS foam in our packaging, increased curbside-recyclable alternatives and reduced overall packaging size. These efforts have eliminated over 10M pounds of EPS from our supply chain in 2020. Vendor packaging is required to be >70% curbside recyclable, contain >70% post-consumer recycled content, and adhere to specific thresholds to minimize allowable packaging volume. On the retail side, in 2020, we consolidated retail packaging procurement across brands and prioritized more sustainable materials, with post-consumer recycled shopping bags rolling out across brands in 2021. See references for reporting.	Pgs. 29-31 Waste & Circularity

APPENDIX

ESG Disclosures: SASB Facilities Activity



TOPIC	ACCOUNTING METRIC	CATEGORY	SASB	DESCRIPTION	REFERENCES
Facilities	Number of: (1) retail locations (2) distribution centers	Quantitative	CG-MR-000.a	1) 581 retail locations 2) 21 distribution centers and hubs See references for reporting.	Pgs. 12-26 CDP Disclosure Science-Based Target Climate & Energy Strategy
Square Footage	Total area of: (1) retail space (2) distribution centers	Quantitative	CG-MR-000.b	Total leased area of 1) retail locations: 6,301,000 sq feet 2) distribution centers and hubs: 10,352,149 sq feet See references for reporting.	Pgs. 12-26 CDP Disclosure Science-Based Target Climate & Energy Strategy

APPENDIX

TCFD

GOVERNANCE: DISCLOSE THE ORGANIZATION'S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES.

Describe the board's oversight of climate-related risks and opportunities.

The Nominations, Corporate Governance and Social Responsibility Committee (the "Committee") of the Company's Board of Directors oversees Corporate and Social Responsibility matters, including climate-related issues. The Committee is comprised of 3 Directors who monitor the Company's environmental, social and governance policies and advise on policies and strategies that could inform our social and environmental impact and risk profile. The Committee engages regularly with management on climate-related issues; for example, approving updates to WSI's climate and environmental strategy and policy disclosures and reviewing WSI's recent Science-Based Target. The Board of Directors' review of environmental and social topics is obtained through the updates it receives from the Committee. Additionally, WSI's EVP of Sourcing, Quality Assurance, and Sustainable Development leads ESG strategy and reports to the committee at each meeting. The organization's dedicated Sustainability team presents to the full board at least once a year to monitor and review existing and proposed strategy, goals and targets. The Audit and Finance Committee, composed solely of Directors who are independent in accordance with New York Stock Exchange listing standards, meets periodically with the Company's independent auditors, the Company's internal auditors, and management to advise the Board and management on policies and strategies pertinent to our Risk Management process.

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[CDP Section C1](#)
[Science-Based Target](#)
[Climate & Energy](#)
[Strategy](#)

Describe management's role in assessing and managing climate-related risks and opportunities.

The Executive Vice President of Sourcing, Quality Assurance, and Sustainable Development leads both the organization's dedicated global team of sustainability professionals as well as a working group of cross-functional leaders. Together, they determine strategies, policies and goals related to sustainability and regularly report to and seek input from the Committee on those matters, including climate-related issues. Climate-related issues are monitored in a variety of ways, from tracking and reporting on GHG emissions in our operations, to tracking and reporting on our responsibly sourced material initiatives, to identifying and assessing climate-related supply chain risks. The dedicated sustainability team works across the enterprise, both within brands and within shared services, to drive progress to shared goals and embed accountability for sustainability programs across departments. This team partners with in-country sourcing teams, brand design and merchants, packaging engineers, retail operations, human resources, and supply chain operations to set and meet goals. Additionally, climate risk is integrated into our enterprise-wide Risk Management process, and detailed in our most recent CDP Climate Disclosure.

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APPENDIX

TCFD

STRATEGY: DISCLOSE THE ACTUAL POTENTIAL IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANIZATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING WHERE SUCH INFORMATION IS MATERIAL.

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	As part of setting a Science-Based Target and completing our CDP Climate Disclosure, we identified short, medium and long-term risks and opportunities related to climate. These range from physical, regulatory, and transition risks to opportunities to meet growing consumer demand for more sustainable, lower footprint products. See references for reporting.	Pgs. 12-26 CDP Section C2 & C3 Science-Based Target Climate & Energy Strategy
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	In setting a Science-Based Target across all three scopes, as well as a goal to be carbon neutral in our operations, we are aligning our business with a low carbon economy. Our Scope 3 reduction focuses on materials and production, downstream transportation, and product use, highlighting the most material and highest leverage priorities. See references for reporting.	Pgs. 12-26 CDP Section C2 & C3 Science-Based Target Climate & Energy Strategy
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We currently use qualitative climate risk scenario analysis, but plan to add quantitative in the coming years.	Pgs. 12-26 CDP Section C3 Science-Based Target Climate & Energy Strategy

APPENDIX

TCFD

RISK MANAGEMENT: DISCLOSE HOW THE ORGANIZATION IDENTIFIES, ASSESSES AND MANAGES CLIMATE-RELATED RISKS.

Describe the organization's processes for identifying and assessing climate-related risks.

Climate-related risks are included in our annual Risk Assessment process and reflect geopolitical and global forces as well as company-specific considerations. We use an industry standard five-step integrated end-to-end process to identify progress in addressing specific risks.

[Pgs. 12-26](#)
[CDP Section C2](#)
[Annual Report Pgs. 13-14](#)
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Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.

WSI's risk management process identifies risks most material to the business on an annual basis. This process involves steps to ensure input is collected from across the organization. Senior management across the company provides input into which risk and opportunities could have a substantive financial or strategic impact to the business. Further follow-up work is done on our most significant risks as required. Short-, medium-, and long-term risks are included in the risk identification and management process. Key risk owners are identified and provide brief risk summaries that include steps taken to mitigate the risk and annual plans and goals to continue to mitigate the risk. A discussion of these risk areas is addressed at meetings of the Board at least annually. For example, physical supply chain risk is always included as a significant risk. This includes acute climate-related natural disasters (e.g. floods, droughts) or chronic climate impact that results in volatile commodity cost. Mitigation entails a balanced global vendor landscape and materials sourcing strategy. Transition risks, such as brand reputation in contributing to a low carbon economy, are also considered as part of this process. Mitigation entails developing clear policies around high-impact product categories, such as lighting, and establishing clear goals to work towards efficiencies, such as transitioning to energy-efficient LED lighting.

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APPENDIX

TCFD

METRICS AND TARGETS: DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES WHERE SUCH INFORMATION IS MATERIAL.

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

We have measured and disclosed our Scope 1 and 2 emissions since 2011 and used that information to invest in retrofits and reduction projects each year, reducing our carbon and electricity intensity year-over-year as our revenues have grown. In 2020, we transitioned from an annual year-by-year reduction strategy to a long-term, comprehensive reduction target across Scopes 1, 2, and 3. We conducted a comprehensive assessment of our footprint across all 3 scopes and used that to set a Science-Based Target of 1.5 degrees in Scope 1 & 2 and 2 degrees in Scope 3, along with a commitment to be carbon neutral in our operations by 2025. Our focus on Scope 3 reduction in PG&S, downstream transportation, and product use directly addresses the areas of most risk and opportunity in our business. We collected Higg Facility Environmental Module data from suppliers representing nearly 70% of our spend in 2020. We set ambitious commitments to achieve 100% responsibly sourced cotton and 50% responsibly sourced wood by 2021 and currently, we are examining materials beyond cotton and wood, evaluating our potential impact through an emissions-reduction lens. Alongside this work, we are deepening our commitment to transparency and exploring systems for better documenting and tracking material content.

[Pgs. 12-26](#)
[Pgs. 54-58](#)
[CDP Section C4](#)
[CDP Section C6](#)
[Science-Based Target](#)

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.

As part of setting a Science-Based Target and completing our CDP Climate Disclosure, we disclosed Scope 1, 2 and 3 greenhouse gas emissions. We have disclosed Scope 1 and 2 emissions and progress towards goals annually since 2011 in this report. In 2020, we published our Scope 3 emissions baseline and will be reporting on progress starting in 2021. Climate-related risks are included in our annual Risk Assessment process and reflect geopolitical and global forces as well as company-specific considerations. We use an industry standard five-step integrated end-to-end process to identify progress in addressing specific risks.

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[Science-Based Target](#)

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

We use a Science-Based Target to track performance against climate-related risks and opportunities. Targets include 50% absolute reduction in Scope 1 and 2 emissions by 2030, and 14% absolute reduction in Scope 3 emissions by 2030, measured against a 2019 baseline. Emissions are aggregated by NUS and manual data collection, with 2019-20 emissions calculations performed by Point380. Point380 calculation added radiative forcing factors in 2019. Greenhouse gas emissions include Scope 1 (direct GHG emissions from fuel consumption), Scope 2 (indirect GHG emissions from purchased electricity, heat and steam) and Scope 3 (GHG emissions from our value chain). Emissions from stores, data centers, outsourced data services, distribution centers, in-sourced hubs, call centers, corporate offices and owned and leased vehicles are included. Scope 3 emissions categories follow GHG Protocol and include purchased goods and services, capital goods, fuel and energy emissions, upstream transportation, waste from operations, business travel, employee commuting, downstream transportation, use of sold product, product end-of-life and franchise emissions. Categories not included which are not material to WSI business are upstream leased assets, processing of sold products, downstream leased assets and investments. We worked with industry expert Anthesis to calculate our Scope 3 emissions baseline and implement reporting frameworks. We will begin disclosing Scope 3 progress to goals annually going forward.

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